EPPLEY
LIMITED

EPPLEY LIMITED

2021 ANNUAL REPORT

LETTER TO SHAREHOLDERS

FELLOW SHAREHOLDERS,

Eppley produced earnings per share of $1.31 in 2021, a 41% return for shareholders.[1]

We have now grown our earnings by a compound average annual growth rate of 37% in our 9 years as a public company and produced compounded average annual returns to shareholders of over 38% during this period.[2]

In 2021, Eppley recorded the highest profits in our history for the third year in a row. We continued to compound our capital primarily by growing our asset management and leasing businesses and lowering our funding costs. As importantly, we continued to compound our talent by promoting key executives to new leadership positions.

Our Business

Eppley is an investment company founded on the principle that addressing inefficiencies in Caribbean financial markets produces attractive returns with low risk.

We focus on private markets instead of marketable securities like stocks and bonds. Eppley primarily invests in credit, mezzanine, real estate and infrastructure. These asset classes have less competition and reward our comparative advantages of originating, negotiating, structuring and financing transactions. Unlike in public markets where size is the enemy of performance, in private markets these advantages grow as we scale.

We apply a consistent investment discipline across all asset classes. In every investment decision, we determine whether the prospective returns outweigh the risk of loss with an adequate margin of safety. We have cultivated a culture and built an investment process to manage risk carefully but also to act decisively.

In addition to making investments on our own account, Eppley increasingly makes investments on behalf of investors in the Caribbean Mezzanine Fund and the Eppley Caribbean Property Fund. By combining our proprietary portfolio with our business of administering and managing these vehicles, Eppley has built a diverse regional investment company with consistently high returns on capital.

We are privileged to have a loyal group of like-minded shareholders which include retail investors, high net worth individuals and some of the largest institutions in the Caribbean. We distribute the vast majority of Eppley's returns to these shareholder "partners" in the form of consistent, reliable dividends each year.

Our Portfolio

At the end of 2021, our investment portfolio was $5.4 billion. A summary of our portfolio is outlined in the following table.

PORTFOLIO SUMMARY

	Investment assets, millions
Cash and bonds	744
Insurance premium financing	105
Loans	1,418
Leases[3]	2,052
Mezzanine[4]	363
Real estate[5]	170
Infrastructure[6]	303
Asset management[7]	237
Total	5,392

[1] Based on the cost basis of $3.21 per share which assumes an investor subscribed in the IPO and fully participated in the rights issue. Last year's return on average equity was 24.0%.
[2] Eppley's ordinary shares were listed on the JSE in July 2013. In the preceding year, its net profit was $15.1 million. In 2021, Eppley's net profit was $251.6 million. Returns to shareholders includes dividends and the appreciation in the market value of Eppley's ordinary shares.
[3] Includes $348.5 million of GCT receivables, mostly related to our lease portfolio.
[4] Reflects our investment in the non-participating and participating preference shares of the Caribbean Mezzanine Fund.
[5] Includes our investment in Eppley Caribbean Property Fund and our interest in Retirement Road Holdings II Limited.
[6] Reflects our investment in North Star Development (Water) Jamaica Limited.
[7] Includes our investment in the managers preference shares and ordinary shares of the Eppley Caribbean Property Fund and the Caribbean Mezzanine Fund.

Cash and bonds

Eppley has ample liquidity to manage risk and to take advantage of new opportunities. Though the size of our cash balance fluctuates, it usually remains high by industry standards. This generally weighs down Eppley's returns but protects our business in times of uncertainty. It also ensures that we have adequate "dry powder" to deploy in new investments.

At the end of 2021, we held J$661 million in cash and owned J$83 million of bonds. Additionally, we had a J$400 million committed financing facility that was completely undrawn. Collectively, this gave Eppley over $1.1 billion of liquidity. Based on our pipeline, we expect to deploy most of this liquidity in 2022.

Leases

Eppley is one of the largest commercial lessors in Jamaica. We own a large fleet of hundreds of cars, trucks and other forms of commercial equipment which we rent or lease mainly to manufacturing, distribution and industrial businesses. Lessees chose to do business with Eppley because leases provide an efficient low-cost alternative to loans and yet are not widely available in Jamaica. Last year, Eppley's leasing business grew significantly as we expanded our product offering to include fleet leases.

Commercial Credit

Eppley provides credit mostly to large, well-known businesses in Jamaica that rely on us to provide tailored solutions when traditional financing is not readily available or fit for purpose. As value investors, Eppley thinks fundamentally and commercially about how best to serve our clients while managing default risk. Eppley's lean decision-making structure also allows us to provide exceptional service.

Mezzanine

Mezzanine investments sit between debt and equity in a company's capital structure. When structured properly, mezzanine investments can offer investors the upside of equity with many of the downside protections of debt. Eppley is an investor in the Caribbean Mezzanine Fund which in turn owns a portfolio of mezzanine investments.

Real Estate

Eppley owns commercial real estate across the Caribbean through its investment in the Eppley Caribbean Property Fund and in a joint venture which controls a parcel of development land in Cross Roads. Our real estate holdings give Eppley income as well as long-term capital appreciation.

Infrastructure

Eppley manages and owns a 25% ownership stake in North Star.[8] North Star is the owner and operator of a well, pump, storage and pipeline system that has been the exclusive provider of drinking water to the University of the West Indies Mona Campus since 2016. Like Eppley's real estate holdings, our infrastructure investments provide a source of stable income with additional long-term upside.

Insurance premium financing

Eppley was a pioneer in the insurance premium financing market. More recently however, we've modified our focus away from serving personal line customers to working mostly with insurers and large corporate clients.

Asset Management

Eppley's asset management business is made up mostly of the Eppley Caribbean Property Fund and the Caribbean Mezzanine Fund.

In the last four years, Eppley has grown this business from scratch. Today, our assets under management exceed US$100 million and our investors include some of the most prominent institutions in the region as well as thousands of individual investors.

The Eppley Caribbean Property Fund ("ECPF") is the largest listed real estate mutual fund in the Caribbean. In separate cells, ECPF owns 17 retail, office, BPO and industrial buildings in Jamaica, Barbados and Trinidad a diverse collection of residential and land assets in the Eastern Caribbean.

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[8] North Star Development Jamaica (Water) Limited

The Caribbean Mezzanine Fund II ("CMF II") is a successor to CMF I, the first mezzanine credit fund in the English-speaking Caribbean. CMF II is co-managed by Eppley and NCB Capital Markets.

Eppley's asset management businesses provide us with a stable, recurring stream of permanent income as well as the opportunity to participate alongside our investors.

Financial Performance

Eppley produced record net profits in 2021 for the third year in a row. Eppley earned J$252 million of net profits in 2021 or a 12% increase over the J$225 million of net profits we earned in 2020.

In summary, increases in our asset management and other income more than compensated for declines in our net interest income and increases in our administrative expenses.

Interest income grew by 16% to J$387 million in 2021 from J$333 million in 2020. This growth reversed the decline of gross interest income Eppley experienced as a result of Covid 19 and is due mostly to acceleration of our leasing business.

On the other hand, interest expense increased by 38% to J$285 million in 2021 from J$208 million in 2020. This is due to increases in borrowings during the year used to fund the growth of our investment portfolio.

As a result, net interest income declined by 19% to J$101 million in 2021 from $125 million in 2020.

The sum of asset management fee income and fees and other income increased by 28% to J$359 million in 2021 from $280 million in 2020. The growth in asset management fee income was mostly driven by the growth in Eppley's assets under management in its investment funds, foreign exchange gains and fees.

Administrative expenses increased by 11% to J$212 million in 2021 from J$190 million in 2020. This increase was mainly a function of higher staff costs. Higher staff costs in turn reflect both the expansion of the size of Eppley's team and increased compensation to attract and retain key executives. Additionally, higher staff costs include changes in performance-based compensation directly linked to Eppley's higher profitability during the period.

Eppley's share of net profit from its commercial real estate joint venture was increased to J$21.6 million last year.

Eppley's assets grew by 33% to J$5.5 billion in 2021 from J$4.1 billion in 2020. This is mainly driven by the growth of our leasing business and was funded by an increase in our borrowings. As at December 31st, 2021 Eppley's borrowings were 4.0x its shareholders' equity.[9]

Dividends

Eppley paid ordinary dividends of $0.0372 per share in the last three quarters of 2021. In the first quarter of 2022, the Board also declared a dividend of $1.05 per share. Consistent with our dividend policy, Eppley has now distributed the vast majority of its 2021 profit to shareholders excluding unrealized gains on our investments and non-recurring income. Subject to the Board's discretion, we aim to maintain this dividend policy in 2022.

Leadership

In February 2022, Justin Nam assumed the leadership of Eppley's executive team and operations. Justin joined Eppley in 2015 and has served as its General Manager since 2020. He has been instrumental in building Eppley's business including the expansion of our asset management business regionally. We have every confidence that he will maintain Eppley's culture and build on our investment track record. Nicholas Scott, who transformed our business from Orrett and Musson to Eppley and led its growth as a public company over the last decade will remain as Vice Chairman.

[9] Based on Eppley Limited's standalone borrowings of J$3.242 billion and total shareholders' equity of J$806.5 million as of December 31, 2021.

Outlook

We're concerned about the fragility of Jamaica's economic recovery. Rising interest rates, designed to curb inflation, have the potential to push us into recession if mismanaged. Thankfully, at Eppley, we are well positioned for a rising interest rate environment. We refinanced most of our maturities last year and locked in low fixed rates. If rates rise, our net interest income spreads will widen. If credit becomes more scarce, the demand for our flexible risk capital will increase.

In summary, Eppley reported another strong year in 2021 producing record profits and improving the quality of our business. Our focus in 2022 will be seizing new investment opportunities on our own account and growing funds we manage.

Cordially,

P.B. Scott
Chairman

Nicholas A. Scott
Vice Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of EPPLEY LIMITED (“the Company”) will be held at 10:00 am on September 28, 2022 at 58 Half Way Tree Road for the shareholders to consider, and if thought fit, to pass the following resolutions:

Ordinary Resolutions

1. To receive the report of the Board of Directors and the audited accounts of the Company for the financial year ended December 31, 2021.
2. To authorise the Board of Directors to reappoint PricewaterhouseCoopers as the auditors of the Company, and to fix their remuneration.
3. To reappoint the following Directors who have resigned by rotation in accordance with the Articles of Incorporation and being eligible have consented to act on reappointment.
    a. Byron Thompson
    b. Jennifer Scott
    c. Nicholas Scott
4. To authorise the Board of Directors to fix the remuneration of the Directors.
5. To approve the aggregate amount of interim dividends declared by the Board in respect of the financial year ended December 31, 2021, being $223,571,177.28 or $1.16 per ordinary share, as the final dividend for that year.

Dated this 29th day of April 2022 by order of the Board of Directors.

P.B. Scott
Chairman

DIRECTORS' REPORT

The Directors are pleased to present their report for EPPLEY LIMITED for the financial year ended December 31, 2021.

Financial Results

The Statement of Comprehensive Income for the Company shows pre-tax profit of $268.5 million and net profit for the year of $251.6 million. Details of these results, along with a comparison with the previous year's performance and the state of affairs of the Company are set out in the Annual Letter to Shareholders and the Financial Statements which are included as part of this Annual Report.

Directors

The Directors of the Company as at December 31, 2021 were: P.B. Scott, Nicholas Scott, Melanie Subratie, Sharon Donaldson, Jennifer Scott, Keith Collister, Byron Thompson, Maxim Rochester and Alexander Melville.

The Directors to retire by rotation in accordance with the Articles of Incorporation are Byron Thompson, Jennifer Scott and Nicholas Scott but being eligible will offer themselves for reelection.

Auditors

The auditors of the Company, PricewaterhouseCoopers of Scotiabank Centre, Duke Street, Kingston, Jamaica have expressed their willingness to continue in office. The Directors recommend their reappointment.

On behalf of the Board of Directors,

P.B. Scott
Chairman

CORPOARTE GOVERNANCE REPORT

Corporate Governance

The Company's corporate governance policy is designed to maintain transparency and accountability of the individuals and practices in the Company as it continues to grow. Our Directors and Sub-committees stand behind the strategic and corporate objectives set by management and are tasked with monitoring and ensuring that the efforts of all stakeholders support those objectives. Our corporate governance policy can be further reviewed at www.eppleylimited.com.

The Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in its oversight of all matters relating to financial reporting, internal controls, and approval of financial reports to be circulated to all regulatory bodies.

The Audit Committee is comprised of five (5) Directors, which includes two (2) independent Directors.

The Audit Committee generally meets four (4) times for the year.

The Remuneration Committee

The Remuneration Committee is responsible for assisting the Board of Directors in its oversight of executive remuneration packages. These packages are designed to reward performance and incentivize growth and are driven by the core organization objectives and in alignment with necessary risk considerations.

The Remuneration Committee is comprised of three (3) Directors, which includes two (2) independent Directors.

SHAREHOLDERS

TEN LARGEST SHAREHOLDERS
(at December 31, 2021)

Stony Hill Capital Limited	48,097,800
ATL Group Pension Fund Trustees Nominee Limited	38,428,635
Caribprop Limited	27,500,000
Perseverance Limited	23,353,134
Coldharbour Partners Inc.	11,599,674
Curmudgeon Limited	8,284,000
Michael Subratie	8,243,606
Caona Investments Limited	6,076,923
Ravers Limited	6,000,000
FirstCaribbean Int'l Sec. Ltd A/C B.U.T	1,154,190

SHAREHOLDINGS OF DIRECTORS
(at December 31, 2021)

	Direct	Connected[10]
Alexander Melville	-	-
Byron Thompson	483,750	-
Jennifer Scott	-	23,786,884
Keith Collister	-	38,428,635
Maxim Rochester	956,850	-
Melanie Subratie	-	62,855,079
Nicholas Scott	-	20,320,424
P.B. Scott	-	99,387,684
Sharon Donaldson	868,074	2,155,208

SHAREHOLDINGS OF EXECUTIVES
(at December 31, 2021)

	Direct	Connected[10]
Jacquelin Watson	1,024,650	-
Justin Nam	851,420	-

[10] Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

CORPORATE DATA

REGISTERED OFFICE
58 Half Way Tree Road
Kingston, Jamaica W.I.

AUDITOR AND TAX ADVISER
PricewaterhouseCoopers
Scotiabank Centre
Kingston, Jamaica W.I.

BANKERS
First Global Bank
2 St. Lucia Avenue
Kingston, Jamaica W.I.

JMMB Bank (Jamaica)
6-8 Grenada Way
Kingston, Jamaica W.I.

National Commercial Bank
32 Trafalgar Road
Kingston, Jamaica W.I.

Sagicor Bank
60 Knutsford Boulevard
Kingston, Jamaica W.I.

Bank of Nova Scotia Ja.
Scotia Centre
Kingston, Jamaica W.I.

ATTORNEYS-AT-LAW
Clinton Hart
58 Duke Street
Kingston, Jamaica W.I.

DunnCox
48 Duke Street
Kingston, Jamaica W.I.

Patterson Mair Hamilton
85 Hope Road
Kingston, Jamaica W.I.

REGISTRAR
Jamaica Central Securities Depository
40 Harbour Street
Kingston, Jamaica W.I.

PROXY FORM

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to vote on her behalf. A Proxy need not be a member. A suitable form of Proxy is below.

The Proxy must be signed and deposited, duly stamped with duty at the Stamp Office, at the registered office of EPPLEY LIMITED at 58 Half Way Tree Road, Kingston, Jamaica, W.I. not less than 48 hours prior to the meeting.

I/We,____

Name(s) of Shareholder(s)

of,____

Address(es) of Shareholder(s)

in the parish of______________________________, being a member(s) of Eppley Limited

hereby appoint, ____

Name of Proxy

of,____

Address of Proxy

or failing him, ____

Name of Alternative Proxy

of,____

Address of Alternative Proxy

as my Proxy/our Proxy to vote on my/our behalf at the Annual General Meeting to be held on September 28, 2022.

This form is to be used IN FAVOUR of resolutions numbered _____.

This form is to be used AGAINST resolutions numbered_____.

Signed this______day of________2022.

____

Signatures(s) of Shareholder(s)

pwc

Eppley Limited

Financial Statements
31 December 2021

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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 2021, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2021;
- 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 significant accounting policies and other explanatory information.

Basis for opinion

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

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

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

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 audit was planned and executed having regard to the fact that the subsidiary in Barbados has a non-coterminous year end to the Group and was audited by a non-PwC firm. The Group audit team determined the level of involvement it needed to have in the audit work at the component level to be able to conclude whether sufficient appropriate audit evidence had been obtained, to support our opinion on the consolidated financial statements as a whole. Full scope audits were performed for all components located in Jamaica. For the Barbados component, the Group audit team obtained and reviewed the audited financial statements issued prior to year end and performed additional audit procedures on specific account balances as at 31 December 2021 and for the year then ended.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Valuation of level 3 unquoted investment securities classified as fair value through other comprehensive income (Group and Company)

***Refer to notes** 2 (j), 3 (b), 6 and 18 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates.*

Investment securities classified as fair value through other comprehensive income for which observable market data was limited and were classified as level 3 investments totalled $302 million for the Group and Company (5.5% and 7.1% of total assets for the Group and Company, respectively) as at the year-end date.

The fair values of financial instruments that are not quoted on an exchange, and for which one or more of the significant inputs are not based on observable market data, are classified as level 3 in the fair value hierarchy. In these instances, management determines the unobservable inputs using the best information available in the circumstances taking into account all information that is reasonably available.

Management utilised a valuation technique that uses a discounted cash flow approach to determine the market value of unquoted investments. Key assumptions and inputs include the use of historical financial information, revenue growth rate and a discount rate.

The lack of available observable market data resulted in greater estimation uncertainty and subjectivity, which resulted in an audit focus areas.

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Our approach to addressing the matter, involved the following procedures, amongst others:

- Evaluated the application of the valuation methodology utilised by management to derive the fair value of the investment against the requirements of the relevant accounting standards and recognised valuation techniques.
- Tested the reasonableness of valuation assumptions and inputs by:
  - Agreeing historical information in management's cash flow projections to audited financial statements;
  - Corroborating the revenue growth rates to published inflation rates; and
  - Comparing the discount rate to that of the rate of return on a long-term Government of Jamaica instrument
- Tested the mathematical accuracy of management's discounted cash flow by reperforming the underlying calculations.
- Performed sensitivity analyses on the discount rate used in management's cash flow projections.

Based on the procedures performed, no adjustments to the valuation of level 3 unquoted investment securities were considered necessary.

</td></tr>
</table>

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 Kevin Powell.

PricewaterhouseCoopers

Chartered Accountants
31 March 2022
Kingston, Jamaica

Eppley Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Net Investment Income			
Interest income		386,562	332,908
Interest expense		(285,619)	(207,676)
Net Interest Income		100,943	125,232
Asset management fee income	8 (i)	219,107	194,242
Fees and other operating income	8 (ii)	139,996	85,984
Administrative expenses	9	(211,686)	(190,162)
Net impairment losses on financial assets	4 (a)	(1,471)	(939)
Share of net profit from joint venture	19	21,576	10,817
Profit before Taxation		268,465	225,174
Taxation	11	(16,834)	168
Net Profit		251,631	225,342
Other Comprehensive Income:			
Items that will not be reclassified			
Exchange differences on translation of foreign operations		14,226	2,589
Changes in fair value of equity investments at fair value through other comprehensive income		236	43,346
Other comprehensive income for the year, net of taxes		14,462	45,935
Total Comprehensive Income for the Year		266,093	271,277
Earnings per Stock Unit	12	$1.31	$1.17

Eppley Limited
Consolidated Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Assets			
Cash and deposits	13	661,397	680,589
Taxation recoverable		17,132	14,443
Other receivables	14	424,025	201,153
Insurance premium financing receivables	15	105,216	135,861
Loans receivable	16	1,417,606	1,452,154
Lease receivables	17	1,703,998	587,129
Investment securities	18	1,089,769	977,869
Investment in joint ventures	19	79,917	58,331
Deferred tax assets	23	8,741	15,251
Right-of-use-asset	21	1,354	1,069
Property, plant and equipment	20	9,897	17,433
Total assets		5,519,052	4,141,282
Liabilities			
Due to related parties	24	1,653	1,653
Taxation payable		3,930	5,010
Deferred tax liabilities	23	4,188	-
Borrowings	25	4,129,536	2,916,890
Lease liability	21	1,374	1,069
Other liabilities	26	289,507	212,661
Total liabilities		4,430,188	3,137,283
Share capital	27	492,343	492,343
Other reserves	28	16,118	1,892
Fair value reserves	29	60,347	60,111
Retained earnings		520,056	449,653
Total stockholders' equity		1,088,864	1,003,999
Total Liabilities and Equity		5,519,052	4,141,282

Approved for issue by the Board of Directors on 30 March 2022 and signed on its behalf by:

Paul B. Scott — Chairman

Nicholas Scott — Vice Chairman

Eppley Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Fair value Reserves $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2020		492,343	16,765	(697)	355,497	863,908
Net profit		-	-	-	225,342	225,342
Other comprehensive income for the year		-	43,346	2,589	-	45,935
Total comprehensive income for the year		-	43,346	2,589	225,342	271,277
Transactions with owners -						
Dividends	30	-	-	-	(131,186)	(131,186)
Balance at 31 December 2020		492,343	60,111	1,892	449,653	1,003,999
Net profit		-	-	-	251,631	251,631
Other comprehensive income for the year		-	236	14,226	-	14,462
Total comprehensive income for the year		-	236	14,226	251,631	266,093
Transactions with owners -						
Dividends	30	-	-	-	(181,228)	(181,228)
Balance at 31 December 2021		492,343	60,347	16,118	520,056	1,088,864

Eppley Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Net profit		251,631	225,342
Adjustments for:			
Depreciation	20	8,446	8,167
Amortisation of right-of-use-asset	21	5,191	3,968
Interest income		(386,562)	(332,908)
Dividend income		(34,228)	(2,660)
Interest expense		285,619	207,676
Unrealised gains on investment securities		6,441	11,171
Net impairment losses on financial assets		1,471	939
Gain on disposal of property, plant and equipment		-	(1,373)
Exchange gains on foreign currency denominated balances		(76,325)	(55,560)
Share of profits from joint venture	19	(21,576)	(10,817)
Taxation	11	16,834	(168)
		56,942	53,777
Changes in non-cash working capital components:			
Other receivables		(269,968)	(81,389)
Insurance premium financing receivables		33,473	21,837
Loans receivable		103,044	148,878
Lease receivables		(1,116,171)	(83,866)
Interest received		387,384	329,329
Dividend received		34,228	2,660
Other liabilities		67,468	35,934
		(703,600)	427,160
Taxation withheld at source		(2,689)	(2,157)
Tax paid		(7,597)	(2,733)
Interest paid		(248,049)	(188,651)
Net cash (used in)/provided by operating activities		(961,935)	233,619
Cash Flows from Investing Activities			
Acquisition of investment securities		(97,006)	-
Proceeds from sale of investment securities		-	86,575
Proceeds from sale of property, plant and equipment		-	1,373
Additions to property, plant and equipment	20	(910)	(13,664)
Net cash (used in)/provided by investing activities		(97,916)	74,284
Cash Flows from Financing Activities			
Dividends paid	30	(181,228)	(131,186)
Lease liability repaid	21	(5,191)	(4,337)
Loans received		2,626,138	572,484
Loans repaid		(1,518,373)	(540,269)
Net cash provided by/(used in) financing activities		921,346	(103,308)
(Decrease)/Increase in net cash balances		(138,505)	204,595
Effects of foreign exchange rates changes on cash and cash equivalents		63,612	12,432
Cash and cash equivalents at beginning of year		680,364	463,337
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	605,471	680,364

Eppley Limited
Company Statement of Comprehensive Income
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Net Investment Income			
Interest income		339,054	342,556
Interest expense		(235,036)	(205,707)
Net Interest Income		104,018	136,849
Asset management fee income	8 (i)	49,513	91,972
Fees and other operating income	8 (ii)	138,030	77,778
Net impairment losses on financial assets	4 (a)	(1,582)	(863)
Administrative expenses	9	(180,080)	(164,536)
Profit before Taxation		109,899	141,200
Taxation	11	-	146
Net Profit		109,899	141,346
Other Comprehensive Income:			
Items that will not be reclassified			
Changes in fair value of equity investments at fair value through other comprehensive income, net of taxes		2,690	34,719
Total Comprehensive Income for the Year		112,589	176,065

Eppley Limited
Company Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Assets			
Cash and deposits	13	513,860	566,874
Taxation recoverable		15,423	12,807
Other receivables	14	159,468	132,162
Insurance premium financing receivables	15	105,216	135,861
Loans receivable	16	994,694	974,717
Lease receivables	17	767,278	587,128
Due from related parties	24	1,089,435	737,054
Investment securities	18	403,691	665,526
Investment in joint venture	19	15	14
Investment in subsidiaries	22	220,011	70,750
Right-of-use-asset	21	1,354	1,069
Property, plant and equipment	20	9,808	17,368
Total assets		4,280,253	3,901,330
Liabilities			
Due to related parties	24	62,757	7,261
Borrowings	25	3,242,097	2,885,348
Lease liability	21	1,374	1,069
Other liabilities	26	167,556	132,544
Total liabilities		3,473,784	3,026,222
Stockholders' Equity			
Share capital	27	492,343	492,343
Fair value reserves	29	58,353	55,663
Retained earnings		255,773	327,102
Total stockholders' equity		806,469	875,108
Total Liabilities and Equity		4,280,253	3,901,330

Approved for issue by the Board of Directors on 30 March 2022 and signed on its behalf by:

Paul B. Scott	Chairman	Nicholas Scott	Vice Chairman

Eppley Limited
Company Statement of Changes in Equity
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Fair Value Reserves $'000	Total $'000
Balance at 1 January 2020		492,343	316,942	20,944	830,229
Net profit		-	141,346	-	141,346
Other comprehensive income		-	-	34,719	34,719
Total comprehensive income		-	141,346	34,719	176,065
Transactions with owners -					
Dividends	30	-	(131,186)	-	(131,186)
Balance at 31 December 2020		492,343	327,102	55,663	875,108
Net profit		-	109,899	-	109,899
Other comprehensive income		-	-	2,690	2,690
Total comprehensive income		-	109,899	2,690	112,589
Transactions with owners -					
Dividends	30	-	(181,228)	-	(181,228)
Balance at 31 December 2021		492,343	255,773	58,353	806,469

Eppley Limited

Company Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Net profit		109,899	141,346
Adjustments for:			
Depreciation	20	8,414	8,142
Amortisation of right-of-use-asset	21	5,191	3,968
Interest income		(339,054)	(342,556)
Dividend Income		(27,380)	(104)
Interest expense		235,036	205,707
Unrealised loss on investment securities		10,859	11,171
Gain on disposal of property, plant and equipment		-	(1,373)
Net impairment losses on financial assets		1,582	863
Exchange gains on foreign currency denominated balances		(79,727)	(48,226)
Taxation	11	-	(146)
		(75,180)	(21,208)
Changes in non-cash working capital components:			
Other receivables		(81,713)	(34,242)
Due from related parties		(352,381)	(56,120)
Insurance premium financing receivables		33,473	21,837
Loans receivable		91,850	207,795
Lease receivables		(179,355)	(100,072)
Interest received		339,876	338,977
Dividend received		27,380	104
Due to related parties		55,496	(17,999)
Other liabilities		28,867	46,501
		(111,687)	385,573
Taxation withheld at source		(2,616)	(1,964)
Interest paid		(203,714)	(187,299)
Net cash (used in) /provided by operating activities		(318,017)	196,310
Cash Flows from Investing Activities			
Investment in subsidiary		(143,250)	(143)
Proceeds from sale of investment securities		289,601	86,575
Proceeds from sale of property, plant and equipment		-	1,373
Additions to property, plant and equipment	20	(854)	(13,664)
Net cash provided by investing activities		145,497	74,141
Cash Flows from Financing Activities			
Dividends paid	30	(181,228)	(131,186)
Lease liability repaid		(5,191)	(4,337)
Loans received		1,664,739	530,110
Loans repaid		(1,406,537)	(540,269)
Net cash provided by/(used in) financing activities		71,783	(145,682)
(Decrease)/Increase in net cash balances		(100,737)	124,769
Effects of foreign exchange rates changes on cash and cash equivalents		46,902	10,533
Cash and cash equivalents at beginning of year		566,649	431,347
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	512,814	566,649

1. Identification and Activities

Eppley Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. The company is listed on the Main 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 and providing asset management services.

The company has three (3) wholly owned subsidiaries Paynter (Jamaica) Limited, Eppley Fund Managers Limited and Fleet Limited which 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 (IFRIC) 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.

- Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. The Group has applied the guidance on materiality when preparing its financial statements.

Eppley Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

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 16, 'Leases' – Covid-19 related rent concessions (effective for annual periods beginning on or after 1 June 2021). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2021, the IASB made an amendment to IFRS 16, 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. The Group is currently assessing the impact of this amendment.

- Amendments to IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of this amendment.

- Amendment to IAS 16, 'Property, plant and equipment' (effective for annual periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognise such sales proceeds and related cost in profit or loss. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The Group is currently assessing the impact of this amendment.

- Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023). In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The adoption of the amendments is not expected to have any material impact on the financial statements of the Group.

Eppley Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

- Amendments to IFRS 3, 'Business combinations' (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The Group will apply this amendment to future transactions.

- Narrow scope amendments to IAS 1, Presentation of financial statements', Practice statement 2 and IAS 8 (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The adoption of the amendments is not expected to have any material impact on the financial statements of the Group.

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for annual periods beginning on or after 1 January 2022). This amendment specifies which costs a company includes when assessing whether a contract will be loss making. It clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Group is currently assessing the impact of this amendment.

- Annual improvements to IFRSs 2018 – 2021 cycles (effective for annual periods beginning on or after 1 January 2022). These amendments include minor changes to the following standards:

    - IFRS 9, 'Financial instruments'
    - IFRS 16, 'Leases'

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Eppley Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

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 recognized 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 Group at at 31 December 2021	% Ownership by Company at 31 December 2021	% Ownership by Group at 31 December 2020	% Ownership by Company at 31 December 2020
Resident in Jamaica:					
Subsidiary					
Paynter (Jamaica) Limited	Investing in credit products including insurance premium, loan and lease financing and asset management	100	100	100	100
Joint Venture					
Caribbean Mezzanine Fund I Limited	Asset and investment management	50	50	50	50
Caribbean Mezzanine Fund II Limited	Asset and investment management	50	-	50	-
Retirement Road Holdings II Limited	Property rental	50	-	50	-
Resident outside of Jamaica:					
Subsidiary					
Eppley Fund Managers Limited	Asset and investment management	100	100	100	100
Fleet Limited	Investing in credit products	100	100	-	-

Eppley Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

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

(d) Revenue recognition
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service, being when the goods or service are delivered to a customer. Delivery occurs when the products or service have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products or service in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or service to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Dividend income from financial assets is included in other operating income and is recognised when the right to receive payment is established.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

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.

Eppley Limited
Notes to the Financial Statements
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(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 parties, 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.

(g) Insurance premium financing receivables
Insurance premium financing (IPF) receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all insurance premium financing 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. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all loans and lease receivables, except for secured loans. The simplified approach requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Secured loans are held for the collection of the contractual cash flows and when those cash flows represent solely payment of principal and interest, they are measured at amortised cost. The general model applies to these loans. See Note 2(j)(iv) for accounting policy on impairment of these loans.

(i) Cash and deposits
Cash and deposits are stated at cost. For the purposes of the statement of cash flows, 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
(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.
- those measured at fair value through other comprehensive income

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2. Summary of Significant Accounting Policies (Continued)

(j) Investment securities (continued)

(i) Classification (continued)

For assets measured at fair value, gains and losses are recorded in the statement of comprehensive income. For investments in debt instruments, an evaluation was carried out to define the Group's business model and concluded these instruments will be classified as amortised cost or fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of comprehensive income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Debt instruments at amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised directly in the statement of comprehensive income and presented in other operating income together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- Debt instruments at fair value through profit or loss (FVPL) - Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the statement of comprehensive income and presented net in the statement of comprehensive income within other operating income in the period in which it arises.

- The Group does not hold any debt investments at fair value through other comprehensive income.

2. Summary of Significant Accounting Policies (Continued)

(j) Investment securities (continued)

(iii) Measurement (continued)

Equity instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains or losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of comprehensive income as other operating income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other operating income in the statement of comprehensive income as applicable.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Application of the General Model
The Group has applied the 'general model' as required under IFRS 9 for debt instruments other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost. The ECL will be recognised in the statement of comprehensive income before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit-impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

2. Summary of Significant Accounting Policies (Continued)

(j) Investment securities (continued)

(iv) Impairment (continued)

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit-impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of Significant Increase in Credit Risk
The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes such as the number of days past due. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level for retail exposures. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

Macroeconomic Factors, Forward-Looking Information and Multiple Scenarios
The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses three scenarios that are probability weighted to determine ECL.

Expected Life
When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

2. Summary of Significant Accounting Policies (Continued)

(j) Investment securities (continued)

(v) Financial liabilities
The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. At the statement of financial position date, the following items were classified as financial liabilities: payables, due to related parties, lease liability and borrowings.

(k) Investments in joint ventures

Investments 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. 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 entities 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%
Leasehold improvement	33 1/3%

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2. Summary of Significant Accounting Policies (Continued)

(l) Property, plant and equipment (continued)
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 by assessing on a forward-looking basis, the expected amount that the Group will not be able to collect 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.

(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) 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.

2. Summary of Significant Accounting Policies (Continued)

(q) Taxation (continued)

(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.

(r) 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.

(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.

(s) Interest in subsidiaries

Interests in subsidiaries are stated at cost.

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2. Summary of Significant Accounting Policies (Continued)

(t) Leases

As lessee

The Group has a lease contract for a period of three years relating to the rental of office space. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments). The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point. The lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use asset is measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

(u) 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 33.

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) Measurement of the expected credit loss allowance on insurance premium financing, loans and leases
The measurement of the expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios; and
- Establishing groups of similar financial assets for the purpose of measuring ECL

Further details about judgements and estimates made by the Group in the above areas are set out in Note 4 (a).

(ii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select the appropriate method. Details of investment securities valued using other than quoted prices in an active market are provided in Note 6.

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3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(b) Critical accounting estimates and assumptions (continued)

(iii) 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.

(iv) Classification of joint arrangements

The joint venture agreements in relation to Retirement Road Holdings II Limited (RRH II) and the Caribbean Mezzanine Fund I Limited (Mezzanine Fund) require unanimous consent from all parties for all relevant activities. With respect to RRH II, 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 joint venture arrangements. The Group recognises its share of the results for the year for RRH II.

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.

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4. Financial Risk Management (Continued)

(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 parties, 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.

Receivables are shown net of allowances for impairment, which reflects the Group's estimate of expected losses on collection of receivables. Credit ratings are not publicly available for any assets with credit risk.

Cash and cash equivalents are held with reputable and regulated financial institutions, which present minimal risk of default. The Group also maintains credit facilities with its bankers (See Note 13).

The carrying amount of financial assets represents the maximum credit exposure.

Maximum exposure to credit risk before collateral held or other credit enhancements

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

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Cash and deposits	661,397	680,589	513,860	566,874
Other receivables	75,357	87,649	11,562	18,655
Investment securities	446,000	379,089	87,700	379,089
Due from related parties	-	-	1,089,435	737,054
Insurance premium financing receivables	105,216	135,861	105,216	135,861
Loans receivable	1,417,606	1,452,154	994,694	975,717
Lease receivables	1,703,998	587,129	767,278	587,128
	4,409,574	3,322,471	3,569,745	3,400,378

The above table represents a worst case scenario of credit risk exposure to the Group at 31 December 2021 and 2020.

Impairment of financial assets

The Group has insurance premium financing, loan and lease receivable financial assets that are subject to the expected credit loss model.

The Group applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables from customers except for secured loans which uses the general model.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for receivables are a reasonable approximation of the loss rates for the contract assets.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

The expected loss rates are based on the payment profiles of customers over a period of 60 months before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the Gross Domestic Product as the most relevant factor that affects the collection of receivables, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2021 and 2020 was determined as follows for insurance premium financing on the Group and the Company:

	Group and Company			
	Current $'000	31-90 Days $'000	More than 90 Days $'000	Total $'000
31-Dec-21				
Expected credit loss rate	0.02%	0.02%	8.88%	
Gross carrying amount – insurance premium financing	34,286	2,669	74,925	111,880
Loss allowance	(8)	(1)	(6,655)	(6,664)

	Group and Company			
	Current $'000	31-90 Days $'000	More than 90 Days $'000	Total $'000
31-Dec-20				
Expected credit loss rate	0.03%	0.03%	12.05%	
Gross carrying amount – insurance premium financing	92,954	3,197	45,186	141,337
Loss allowance	(31)	(1)	(5,443)	(5,475)

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

On that basis, the loss allowance as at 31 December 2021 and 2020 was determined as follows for loans and lease receivables for the Group and Company respectively:

	Group			
	Current	**31-90 Days**	**More than 90 Days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31-Dec-21				
Expected credit loss rate	0.09%	0.90%	5.04%	
Gross carrying amount – loans and lease receivables	3,097,822	4,756	23,173	3,125,751
Loss allowance	**(2,937)**	**(43)**	**(1,167)**	**(4,147)**

	Group			
	Current	**31-90 Days**	**More than 90 Days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31-Dec-20				
Expected credit loss rate	0.04%	0.12%	73.79%	
Gross carrying amount – loans and lease receivables	2,037,306	1,622	4,419	2,043,347
Loss allowance	**(800)**	**(2)**	**(3,261)**	**(4,063)**

	Company			
	Current	**31-90 Days**	**More than 90 Days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31-Dec-21				
Expected credit loss rate	0.16%	0.88%	5.05%	
Gross carrying amount – loans and lease receivables	1,738,129	4,756	23,096	1,765,981
Loss allowance	**(2,800)**	**(42)**	**(1,167)**	**(4,009)**

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

	Company			
	Current $'000	31-90 Days $'000	More than 90 Days $'000	Total $'000
31-Dec-20				
Expected credit loss rate	0.04%	0.12%	73.93%	
Gross carrying amount – loans and lease receivables	1,559,704	1,623	4,419	1,565,746
Loss allowance	**(629)**	**(2)**	**(3,267)**	**(3,898)**

The movement on the loss allowance for insurance premium financing, loans and lease receivables was as follows:

Group	**2021** **$'000**	**2020** **$'000**
Opening loss allowance as at 1 January	9,528	8,654
Increase in loss allowance recognised in the statement of comprehensive income during the year	1,471	939
Bad debts recovered during the year	(50)	(65)
Bad debt recovery adjustment	65	-
Bad debts written off to profit or loss	(125)	-
Bad debts written off from receivables	(78)	-
At 31 December	10,811	9,528

Company	**2021** **$'000**	**2020** **$'000**
Opening loss allowance as at 1 January	9,423	8,675
Increase in loss allowance recognised in the statement of comprehensive income during the year	1,582	863
Bad debts recovered during the year	(50)	(65)
Loss allowance on related party balances	(79)	(50)
Bad debts written off to profit or loss	(125)	-
Bad debts written off from receivables	(78)	-
At 31 December	10,673	9,423

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 their 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.

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Credit review process

(iii) Due from related parties, 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. At the reporting date, secured loans are considered stage 1.

(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. At the reporting date, debt securities are considered stage 1.

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Collateral and other credit enhancements

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

The main types of collateral obtained are as follows:

Loans and leases - mortgages over residential and commercial properties, charges over business assets such as premises, equipment, inventory and accounts receivable and charges and hypothecations over deposit balances and financial instruments such as debt securities and equities.

Management monitors the market value of collateral with a view to requesting additional collateral in accordance with the underlying agreements.

The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

Individually assessed allowances are provided for financial assets by reviewing all the identified loans and leases, and determining whether amounts should be written off or that lifetime expected credit losses be recognized based on a review conducted at least annually or more regularly when individual circumstances require same. Impairment allowances on individually assessed accounts are determined by an evaluation if a significant increase in credit risk has occurred. The assessment then encompasses collateral held and the anticipated receipts for that individual account.

Collectively assessed allowances are provided for portfolios of homogenous assets and include loss allowances determined on an individually assessed basis, adjusted for forward looking information. Such information includes macroeconomic factors which management determines could influence Group operations.

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4. **Financial Risk Management (Continued)**

(a) Credit risk (continued)

Impairment of financial assets (continued)
Sensitivity analysis

Set out below are the changes in ECL as at 31 December 2021 that would result from a reasonably possible change in the PDs used by the Group:

	The Group			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Higher threshold**	**Lower threshold**
			$'000	**$'000**
Insurance premium financing receivables	0.31% - 0.50%	+/- 20%	5	(5)
Loans and leases receivables	0.01% - 0.37%	+/- 20%	93	(93)
Total			98	(98)

	The Company			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Higher threshold**	**Lower threshold**
			$'000	**$'000**
Insurance premium financing receivables	0.31% - 0.50%	+/- 20%	5	(5)
Loans and leases receivables	0.01% - 0.37%	+/- 20%	109	(109)
Total			114	(114)

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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.

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	Over 5 Years $'000	No Specific Maturity Date $'000	Total $'000
As at 31 December 2021:							
Financial Assets							
Cash and deposits	154,089	147,165	-	-	54,880	305,263	661,397
Investment securities	-	-	-	-	83,429	1,006,340	1,089,769
Insurance premium financing	43,620	21,826	51,806	-	-	-	117,252
Lease receivables	52,011	103,831	451,614	1,656,905	58,576	-	2,322,937
Loans receivable	508,796	112,362	330,792	680,675	-	-	1,632,625
Total financial assets	**758,516**	**385,184**	**834,212**	**2,337,580**	**196,885**	**1,311,603**	**5,823,980**
Financial Liabilities							
Due to related parties	1,653	-	-	-	-	-	1,653
Borrowings	50,539	74,186	952,643	3,967,464	-	-	5,044,832
Lease liability	458	916	-	-	-	-	1,374
Other liabilities	91,495	17,509	25,519	49,547	105,437	-	289,507
Total financial liabilities	**144,145**	**92,611**	**978,162**	**4,017,011**	**105,437**	**-**	**5,337,366**
Net Liquidity Gap	**614,371**	**292,573**	**(143,950)**	**(1,679,431)**	**91,448**	**1,311,603**	**486,614**
Cumulative gap	**614,371**	**906,944**	**762,994**	**(916,437)**	**(824,989)**	**486,614**	

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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**	**Over 5 Years $'000**	**No Specific Maturity Date $'000**	**Total $'000**
As at 31 December 2021:							
Financial Assets							
Cash and deposits	154,089	147,165	-	-	-	212,606	513,860
Investment securities	-	-	-	-	83,429	1,006,340	1,089,769
Due from related parties	460,090	132,269	352,283	94,371	173,342	-	1,212,355
Insurance premium financing	43,620	21,826	51,806	-	-	-	117,252
Lease receivables	30,269	60,349	255,945	615,260	22,795	-	984,618
Loans receivable	305,110	102,232	245,588	464,734	-	-	1,117,664
Total financial assets	**993,178**	**463,841**	**905,622**	**1,174,365**	**279,566**	**1,218,946**	**5,035,518**
Financial Liabilities							
Due to related parties	1,653	-	-	-	-	-	1,653
Borrowings	19,473	604,089	685,212	2,018,022	-	-	3,326,796
Lease liability	458	916	-	-	-	-	1,374
Other liabilities	76,111	14,639	25,519	49,547	1,741	-	167,557
Total financial liabilities	**97,695**	**619,644**	**710,731**	**2,067,569**	**1,741**	**-**	**3,497,380**
Net Liquidity Gap	**895,483**	**(155,803)**	**194,891**	**(893,204)**	**277,825**	**1,218,946**	**1,538,138**
Cumulative gap	**895,483**	**739,680**	**934,571**	**41,367**	**319,192**	**1,538,138**	

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Group						
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**No Specific Maturity Date**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 31 December 2020:							
Financial Assets							
Cash and deposits	581,654	98,935	-	-		-	680,589
Investment securities	-	-	-	-	80,504	897,365	977,869
Insurance premium financing	52,290	33,763	63,068	-		-	149,121
Lease receivables	21,898	44,063	187,418	503,056		-	756,435
Loans receivable	506,082	288,703	451,532	344,858		-	1,591,175
Total financial assets	**1,161,924**	**465,464**	**702,018**	**847,914**	**80,504**	**897,365**	**4,155,189**
Financial Liabilities	1,653	-	-	-	-	-	1,653
Due to related parties	19,473	604,089	685,212	2,018,022	-	-	3,326,796
Borrowings	374	695	-	-	-	-	1,069
Other liabilities	74,478	19,690	23,100	95,396	-	-	212,664
Total financial liabilities	**95,978**	**624,474**	**708,312**	**2,113,418**	**-**	**-**	**3,542,182**
Net Liquidity Gap	**1,065,946**	**(159,010)**	**(6,294)**	**(1,265,504)**	**80,504**	**897,365**	**613,007**
Cumulative gap	**1,065,946**	**906,936**	**900,642**	**(364,862)**	**(284,358)**	**613,007**	

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)

(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	Over 5 Years $'000	No Specific Maturity Date $'000	Total $'000
As at 31 December 2020:							
Financial Assets							
Cash and deposits	467,938	98,935	-	-	-	-	566,873
Investment securities	-	-	-	-	80,504	585,022	665,526
Due from related parties	5,596	10,650	49,638	759,391	-	-	825,275
Insurance premium financing	52,286	33,761	63,065	-	-	-	149,112
Lease receivables	21,898	44,063	187,418	503,056	-	-	756,435
Loans receivable	314,940	280,581	320,281	197,942	-	-	1,113,744
Total financial assets	**862,658**	**467,990**	**620,402**	**1,460,389**	**80,504**	**585,022**	**4,076,965**
Financial Liabilities	7,261	-	-	-	-	-	7,261
Due to related parties	19,318	603,794	684,601	1,982,120	-	-	3,289,833
Borrowings	374	695	-	-	-	-	1,069
Other liabilities	64,417	19,690	23,100	25,336	-	-	132,543
Total financial liabilities	**91,370**	**624,179**	**707,701**	**2,007,456**	-	-	**3,430,706**
Net Liquidity Gap	**771,288**	**(156,189)**	**(87,299)**	**(547,067)**	**80,504**	**585,022**	**646,259**
Cumulative gap	**771,288**	**615,099**	**527,800**	**(19,267)**	**61,237**	**646,259**	

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

At 31 December 2021, the Group's statement of financial position includes aggregate net foreign assets of US$6,199,000 (2020 - US$5,552,000).

At 31 December 2021, the Company's statement of financial position includes aggregate net foreign assets of US$7,509,000 (2020 - US$6,834,000).

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.

	The Group			
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	2021	2021	2020	2020
USD - Revaluation	2%	(18,940)	2%	(31,264)
USD - Devaluation	8%	75,759	6%	46,896

	The Company			
	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
	2021	2021	2020	2020
USD - Revaluation	2%	(22,939)	2%	(38,478)
USD - Devaluation	8%	91,755	6%	57,718

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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**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
At 31 December 2021:							
Financial Assets							
Cash and deposits	141,428	301,254	-	-	54,880	163,835	661,397
Investment securities	-	-	-	-	83,429	1,006,340	1,089,769
Insurance premium financing	27,640	2,668	74,908	-	-	-	105,216
Lease receivables	21	636	25,295	589,505	1,088,541	-	1,703,998
Loans receivable	440,219	77,029	187,109	713,249	-	-	1,417,606
Total financial assets	**609,308**	**381,587**	**287,312**	**1,302,754**	**1,226,850**	**1,170,175**	**4,977,986**
Financial Liabilities							
Due to related parties	-	-	-	-		1,653	1,653
Borrowings	-	-	614,683	3,514,353	-	500	4,129,536
Lease liability	-	1,374	-	-	-	-	1,374
Other liabilities	-	-	-	-	-	289,507	289,507
Total financial liabilities	**-**	**1,374**	**614,683**	**3,514,353**	**-**	**291,660**	**4,422,070**
Total interest repricing gap	609,308	380,213	(327,371)	(2,211,599)	1,226,850	878,515	555,916
Cumulative gap	**609,308**	**989,521**	**662,150**	**(1,549,449)**	**(322,599)**	**555,916**	

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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**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
At 31 December 2021:							
Financial Assets							
Cash and deposits	48,771	301,254	-	-		163,835	513,860
Investment securities	-	-	-	-	83,429	320,262	403,691
Due from related parties	452,174	121,736	314,228	94,371	106,926	-	1,089,435
Insurance premium financing	27,640	2,668	74,908	-	-	-	105,216
Lease receivables	20	636	25,295	510,024	231,303	-	767,278
Loans receivable	277,628	77,029	150,309	489,728		-	994,694
Total financial assets	**806,233**	**503,323**	**564,740**	**1,094,123**	**421,658**	**484,097**	**3,874,174**
Financial Liabilities							
Due to related parties	-	-	-	-	-	62,757	62,757
Borrowings	-	-	614,683	2,626,914	-	500	3,242,097
Lease liability	-	1,374	-	-	-	-	1,374
Other liabilities	-	-	-	-	-	167,556	167,556
Total financial liabilities	**-**	**1,374**	**614,683**	**2,626,914**	**-**	**230,813**	**3,473,784**
Total interest repricing gap	806,233	501,949	(49,943)	(1,532,791)	421,658	253,284	400,390
Cumulative gap	**806,233**	**1,308,182**	**1,258,239**	**(274,552)**	**147,106**	**400,390**	

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	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 2020:						
Financial Assets						
Cash and deposits	272,914	98,935	-	-	308,740	680,589
Investment securities	-	-	-	-	977,869	977,869
Insurance premium financing	30,385	4,390	101,086	-	-	135,861
Lease receivables	-	97	14,110	572,922	-	587,129
Loans receivable	468,290	263,062	370,129	350,673	-	1,452,154
Total financial assets	**771,589**	**366,484**	**485,325**	**923,595**	**1,286,609**	**3,833,602**
Financial Liabilities						
Due to related parties	-	-	-	-	1,653	1,653
Borrowings	-	575,496	572,224	1,768,670	500	2,916,890
Other liabilities	-	-	-	-	212,664	212,664
Total financial liabilities	**-**	**575,496**	**572,224**	**1,768,670**	**214,817**	**3,131,207**
Total interest repricing gap	**771,589**	**(209,012)**	**(86,899)**	**(845,075)**	**1,071,792**	**702,395**
Cumulative gap	**771,589**	**562,577**	**475,678**	**(369,397)**	**702,395**	

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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 2020:						
Financial Assets						
Cash and deposits	159,199	98,935	-	-	308,740	566,874
Investment securities	-	-	-	-	665,526	665,526
Due from related parties	-	-	22,756	714,298	-	737,054
Insurance premium financing receivables	30,385	4,390	101,086	-	-	135,861
Lease receivables	-	97	14,110	572,922	-	587,129
Loans receivable	277,145	254,937	238,877	203,758	-	974,717
Total financial assets	**466,729**	**358,359**	**376,829**	**1,490,978**	**974,266**	**3,667,161**
Financial Liabilities						
Due to related parties	-	-	-	-	7,261	7,261
Borrowings	-	575,495	572,224	1,737,129	500	2,885,348
Lease liability	-	-	-	-	1,069	1,069
Other liabilities	-	-	-	-	132,544	132,544
Total financial liabilities	**-**	**575,495**	**572,224**	**1,737,129**	**141,374**	**3,026,222**
Total interest repricing gap	**466,729**	**(217,136)**	**(195,395)**	**(246,151)**	**832,892**	**640,939**
Cumulative gap	**466,729**	**249,593**	**54,198**	**(191,953)**	**640,939**	

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

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.

(iii) Equity price risk

At December 31, 2021 the Group held $103,996,000 (2020: $103,090,000) of its investment in quoted equities. The Company held $13,469,000 (2020 - $10,108,000) of its investments in quoted equities.

Sensitivity analysis
All the Group and Company's quoted investments are listed on the Jamaica Stock Exchange. A 5% (2020: 5%) increase in the unit prices of the equity holding would have increased equity (before considering the effect of taxation) by $5,199,800 (2020 - $5,154,500) and $673,450 (2020 - $767,000) for the Group and Company respectively.

A 5% (2020:10%) decline would have decreased comprehensive income by $5,199,800 (2020: $10,309,000) and $673,450 (2020: $1,010,800) for the Group and Company respectively.

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 the 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 was no change 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. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Where no market price is available, the fair values presented have been estimated using present values or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

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

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6. Fair Value of Financial Instruments (Continued)

(i) Investment securities classified as financial assets at FVPL and FVOCI are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, discounted cash flows or other recognized valuation techniques. Where discounted cash flows are used, the key inputs include the use of historical information, projecting the cash flows and applying a discount rate;
(ii) The fair value of liquid assets and other assets maturing within a year (e.g. Cash and deposits, reverse repurchase agreements) is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities; and
(iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

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. These mainly comprise of equity shares traded on the Jamaica Stock Exchange and are classified as financial assets at fair value through profit or loss.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value for these instruments is determined by using valuation techniques and maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). 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.

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2021				
Financial assets at fair value through profit or loss -				
Quoted equity investment	103,996	-	-	103,996
Unquoted equity investment	-	362,571	-	362,571
Unquoted common stock	-	-	237,251	237,251
Corporate bonds	-	83,429	-	83,429
Financial assets at fair value through other comprehensive income -				
Unquoted equity investment	-	-	302,522	302,522
	103,996	446,000	539,773	1,089,769

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6. Fair Value of Financial Instruments (Continued)

	The Company			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2021				
Financial assets at fair value through profit or loss -				
Quoted equity investment	13,469	-	-	13,469
Unquoted equity investment	-	4,271	-	4,271
Corporate bonds	-	83,429	-	83,429
Financial assets at fair value through profit or loss -				
Unquoted equity investment	-	-	302,522	302,522
	13,469	87,700	302,522	403,691

	The Group			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2020				
Financial assets at fair value through profit or loss -				
Quoted equity investment	103,090	-	-	103,090
Unquoted equity investment	-	298,585	-	298,585
Unquoted common stock	-	-	219,361	219,361
Corporate bonds	-	80,504	-	80,504
Financial assets at fair value through other comprehensive income -				
Unquoted equity investment	-	-	276,329	276,329
	103,090	379,089	495,690	977,869

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6. Fair Value of Financial Instruments (Continued)

	The Company			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
31 December 2020				
Financial assets at fair value through profit or loss -				
Quoted equity investment	10,108	-	-	10,108
Unquoted equity investment	-	298,585	-	298,585
Corporate bonds	-	80,504	-	80,504
Financial assets at fair value through profit or loss -				
Unquoted equity investment	-	-	276,329	276,329
	10,108	379,089	276,329	665,526

There has been no movement between level.

Sensitivity analysis

A 5% (2020: 5%) increase in the unit prices of the level 3 investments would have increased equity before considering the effect of tax of $26,989,000 (2020 - $24,785,000) for the Group and $15,126,000 (2020: $13,811,000) for the company. A 5% (2020:10%) decline would have decreased equity by $26,989,000 (2020: $49,569,000) before considering the effect of tax.

A discount rate was included as one of the inputs used used to determine the fair value of unquoted equity investments classified as fair value through other comprehensive income. A 1% increase or decrease in the discount rate would have increased the fair value of the instrument by $21,176,000 and $25,810,000, respectively.

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6. Fair Value of Financial Instruments (Continued)

(i) Fair value measurement using significant observable inputs (level 3)
The following table presents the changes in level 3 items for the periods ended 31 December 2021 and 31 December 2020.

	The Group	
	2021	**2020**
	$'000	**$'000**
Opening balance 1 January 2021	495,690	426,932
Fair value gain recognised in other comprehensive income	44,083	68,758
Closing balance 31 December 2021	539,773	495,690

	The Company	
	2021	**2020**
	$'000	**$'000**
Opening balance 1 January 2021	276,329	222,970
Fair value gain recognised in other comprehensive income	26,193	53,359
Closing balance 31 December 2021	302,522	276,329

(ii) 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 financing receivables, loans receivables and loans from related parties.

(iii) The carrying value of long-term loans payable to external lenders approximate their fair values, as most of these loans are listed on an exchange and as at year end, the closing bid price represents 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.
- Asset Management – these represent administrative and investment management services provided.

2021	**Insurance Premium Finance**	**Loans**	**Leases**	**Asset Management**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income as per segment	13,540	155,752	197,178	219,107	585,577
Unallocated income					160,088
Share of net profit from joint venture					21,576
Unallocated expense					(498,776)
Profit before Taxation					268,465
Taxation					(16,834)
Net Profit					251,631

2020	**Insurance Premium Finance**	**Loans**	**Leases**	**Asset Management**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income as per segment	21,891	212,994	84,930	194,242	514,057
Unallocated income					99,077
Share of net profit from joint venture					10,817
Unallocated expense					(398,777)
Profit before Taxation					225,174
Taxation					168
Net Profit					225,342

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7. Segment Information (Continued)

Other statement of comprehensive income disclosures:

	2021 $'000	2020 $'000
Depreciation	8,446	8,167

Allocation of assets:	Total Assets 2021 $'000	Total Assets 2020 $'000
Insurance premium financing	105,216	135,861
Loans	1,417,606	1,452,154
Leases	1,703,998	587,129
Asset management	61,551	68,550
Total segment assets	3,288,371	2,243,694
Unallocated:-		
Cash and deposits	661,397	680,589
Taxation recoverable	17,132	14,443
Other receivables	362,488	132,617
Investment securities	1,089,769	977,869
Investment in joint venture	79,903	58,317
Property, plant and equipment	9,897	17,433
Deferred tax	8,741	15,251
Right-of-use-asset	1,354	1,069
Total Assets per Statement of Financial Position	5,519,052	4,141,282

Total capital expenditure was as follows:

	2021 $'000	2020 $'000
Property, plant and equipment	910	13,664

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8. Other Income

(i) Asset Management Fee Income

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Management fees	156,349	130,586	32,300	28,316
Managers' preference dividend	48,612	22,662	3,975	22,662
Performance fees	1,895	40,994	987	40,994
Arranger's Fees	12,251	-	12,251	-
	219,107	194,242	49,513	91,972

(ii) Fees and Other Operating Income

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Non-participating preference dividends	6,925	22,201	6,925	22,201
Dividend income	47,690	2,660	40,842	104
Fair value losses on equity securities at FVPL	(9,131)	(11,171)	(13,549)	(11,171)
Fee income	20,351	20,942	19,732	12,875
Foreign exchange gains	69,806	45,809	79,727	48,226
Gain on disposal of property, plant and equipment	-	1,373	-	1,373
Other	4,355	4,170	4,353	4,170
	139,996	85,984	138,030	77,778

9. Expenses by Nature

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Auditors' remuneration -	5,203	5,077	2,867	2,730
Depreciation and amortisation (Notes 20 & 21)	13,637	12,135	13,605	12,110
Marketing and advertising	809	102	809	102
Bad debts recovered	(50)	(65)	(50)	(65)
Professional fees	15,269	31,202	13,623	17,956
Rent and maintenance	2,469	2,329	1,406	1,301
Repairs and maintenance	520	650	520	650
Staff costs (Note 10)	138,896	118,496	130,202	113,211
Stationery	2,652	2,462	2,652	2,462
Utilities	3,217	2,877	3,085	2,774
Other	29,064	14,897	11,361	11,305
Total	211,686	190,162	180,080	164,536

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10. Staff Costs

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	114,490	98,433	105,796	93,148
Payroll taxes – employer's contribution	11,846	9,292	11,846	9,292
Pension costs	3,236	1,988	3,236	1,988
Other	9,324	8,783	9,324	8,783
	138,896	118,496	130,202	113,211

11. Taxation

a. The Company's shares are listed on the Main Market of the Jamaica Stock Exchange. Effective 6th February 2018, 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.

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

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

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax charge	6,136	5,192	-	-
Deferred tax (Note 23)	10,698	(5,360)	-	(146)
	16,834	(168)	-	(146)

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11. Taxation (Continued)

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	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Profit before taxation	268,465	225,174	109,899	141,200
Tax calculated at 25% (2020 - 25%)	67,117	56,294	27,475	35,300
Adjusted for the effects of:				
Income not subject to tax	(19,798)	(5,914)	(8,202)	(1,135)
Expenses not deductible for tax	60,234	5,769	60,234	5,769
Joint venture's results reported net of tax	(5,394)	(2,704)	-	-
Net effect of other charges and allowances	5,935	1,353	-	-
Effect of different tax rates	(91,260)	(54,966)	(79,507)	(40,080)
	16,834	(168)	-	(146)

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12. Earnings per Stock Unit

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

	2021 $'000	2020 $'000
Net profit attributable to stockholders ($'000)	251,631	225,342
Weighted average number of stock units outstanding ('000)	192,468	192,468
Earnings per stock unit ($)	1.31	1.17

Included in borrowings are 2021, 2023, 2024, 2026 and 2028 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 stock. These shares are classified as liabilities (see note 25 (c)).

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13. Cash and Cash Equivalents

	The Group	
	2021	2020
	$'000	$'000
Cash and bank balances	305,263	581,654
Term deposits	356,134	98,935
	661,397	680,589
Less: Restricted cash	(54,880)	-
Less: Interest receivable	(1,046)	(225)
	605,471	680,364

Restricted cash represents monies held by NCB Jamaica Limited as security for bank loan to Fleet Limited.

	The Company	
	2021	2020
	$'000	$'000
Cash and bank balances	212,606	467,939
Term deposits	301,254	98,935
	513,860	566,874
Less: Interest receivable	(1,046)	(225)
	512,814	566,649

Included in cash and bank balances are foreign currency current accounts which earn interest at 0.00% to 0.25% (2020 - 0.01% to 0.60%).

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

	The Group and The Company	
	2021	2020
	%	%
J$ - short term deposits	3.97	2.50
J$ - long term deposits	-	3.83
US$ - short term deposits	3.00	2.95

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14. Other Receivables

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Prepaid expenses	125	-	125	-
GCT recoverable	348,472	113,482	147,710	113,482
Other	75,428	87,671	11,633	18,680
	424,025	201,153	159,468	132,162

15. Insurance Premium Financing Receivables

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
IPF loans receivable from affiliates	65,433	67,628	65,433	67,628
IPF loans receivable from external customers	58,482	86,960	58,482	86,960
Unearned interest	(12,035)	(13,251)	(12,035)	(13,251)
	111,880	141,337	111,880	141,337
Expected credit losses	(6,664)	(5,476)	(6,664)	(5,476)
	105,216	135,861	105,216	135,861

Insurance premium financing receivables include amounts with related parties (Note 24(b)).

16. Loans Receivable

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Loans receivable from affiliates	104,991	150,677	104,991	150,677
Loans receivable from external customers	1,316,593	1,305,485	893,640	827,884
	1,421,584	1,456,162	998,631	978,561
Expected credit losses	(3,978)	(4,008)	(3,937)	(3,844)
	1,417,606	1,452,154	994,694	974,717

Loans receivable include amounts with related parties (Note 24(b)).

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17. Lease Receivables

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Gross investment in finance leases –				
Not later than one year	33,301	18,139	33,301	18,138
Later than one year and not later than five years	2,289,636	738,295	951,316	738,295
	2,322,937	756,434	984,617	756,433
Less: Unearned income	(618,939)	(169,305)	(217,339)	(169,305)
	1,703,998	587,129	767,278	587,128
Net investment in finance leases may be classified as follows:				
Not later than one year	962,671	14,208	25,951	14,207
Later than one year and not later than five years	741,327	572,921	741,327	572,921
	1,703,998	587,129	767,278	587,128

18. Investment Securities

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Fair value through profit or loss -				
Debt instruments	83,429	80,504	83,429	80,504
Participating and Non-participating preference shares	362,571	298,585	4,271	298,585
Unquoted common stock	237,251	219,361	-	-
Quoted equities	103,996	103,090	13,469	10,108
Fair value through other comprehensive income -				
Unquoted equities	302,522	276,329	302,522	276,329
	1,089,769	977,869	403,691	665,526

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19. Investments in Joint Ventures

In 2017, the Group entered into a joint venture agreement 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.

Paynter (Jamaica) Limited, entered into a joint venture agreement with effect from 1 July 2019; where it owns a fifty percent (50%) share in Retirement Road Holdings II Limited (RRH II), a company incorporated in St. Lucia. The principal activities of the RRH II is to engage primarily in the administration of investment properties being utilised for rental yields and capital appreciation.

Paynter (Jamaica) Limited entered into a joint venture agreement with effect from March 4, 2021 where it owns a fifty percent (50%) share in Caribbean Mezzanine Fund II Limited. Caribbean Mezzanine Fund II (CMF II) is a segregated cell of Stratus Alternative Funds Limited SCC ("the SCC"), a segregated cell company. CMF II is duly incorporated under the Companies Act, Chapter 308 of the Laws of Barbados, with a primary focus on mezzanine and credit investments.

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Opening net assets at 1 January	58,331	47,513	14	13
Capital invested	8	-	-	-
Foreign exchange gain	2	1	1	1
Profit for the year	21,576	10,817	-	-
Carrying amount	79,917	58,331	15	14

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19. Investments in Joint Ventures (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 Group and the Company.

	2021				2020			
	CMF II $'000	**CMF I $'000**	**RRH II $'000**	**Total $'000**	**CMF II $'000**	**CMF I $'000**	**RRHII $'000**	**Total $'000**
Current assets								
Other current assets	-	-	124	124	-	-	124	124
Total current assets	-	-	124	124	-	-	124	124
Non-current assets	15	31	162,600	162,646	-	28	118,000	118,028
Total assets	15	31	162,724	162,770	-	28	118,124	118,152
Current liabilities								
Other current liabilities	-	-	2,936	2,936	-	-	1,490	1,490
Total current liabilities	-	-	2,936	2,936	-	-	1,490	1,490
Non-current financial liabilities	-	-	-	-	-	-	-	-
Total liabilities		-	2,936	2,936	-	-	1,490	1,490
Net assets	15*	31*	159,788	159,834	-	28*	116,634	116,662

* This represents the net assets attributable to joint venture partners of CMF I Limited and CMF II. The carrying amount of the investment by the Group is derived by taking 50% of the net assets attributable to co-investors.

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19. Investments in Joint Ventures (Continued)

Summarised Statement of Comprehensive Income

	2021		2020	
	RRH II $'000	**Total $'000**	**RRH II $'000**	**Total $'000**
Revenue	44,600	44,600	23,000	23,000
Operating expenses	(1,448)	(1,448)	(1,366)	(1,366)
Profit before tax	43,152	43,152	21,634	21,634
Taxation	-	-	-	-
Total comprehensive income	43,152	43,152	21,634	21,634

Reconciliation to carrying amounts

	2021				2020			
	CMF II $'000	**CMF I $'000**	**RRH II $'000**	**Total $'000**	**CMF II $'000**	**CMF I $'000**	**RRH II $'000**	**Total $'000**
Closing net assets	15	31	159,787	159,833	-	28	116,634	116,662
Company's share (%)				50				50
Carrying amount				79,917				58,331

There are no contingent liabilities relating to the Group's interest in RRH II. There were no balances related to depreciation, other comprehensive income, and dividend paid for the period ended 31 December 2021.

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20. Property, Plant and Equipment

	The Group			
	Motor Vehicles $'000	Furniture, Fixtures & Equipment $'000	Computer software $'000	Total $'000
Cost -				
At 1 January 2020	19,378	18,035	6,653	44,066
Additions	11,538	2,126	-	13,664
At 31 December 2020	30,916	20,161	6,653	57,730
Additions	-	854	56	910
At 31 December 2021	30,916	21,015	6,709	58,640
Depreciation -				
At 1 January 2020	15,778	9,735	6,617	32,130
Charge for the year	4,685	3,461	21	8,167
At 31 December 2020	20,463	13,196	6,638	40,297
Charge for the year	4,685	3,732	29	8,446
At 31 December 2021	25,148	16,928	6,667	48,743
Net Book Value -				
31 December 2021	5,768	4,087	42	9,897
31 December 2020	10,453	6,965	15	17,433

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20. Property, Plant and Equipment (Continued)

	The Company			
	Motor Vehicles $'000	Furniture, Fixtures & Equipment $'000	Computer software $'000	Total $'000
Cost -				
At 1 January 2020	19,378	16,354	6,573	42,305
Additions	11,538	2,126	-	13,664
At 31 December 2020	30,916	18,480	6,573	55,969
Additions	-	854	-	854
At 31 December 2021	30,916	19,334	6,573	56,823
Depreciation -				
At 1 January 2020	15,778	8,108	6,573	30,459
Charge for the year	4,685	3,457	-	8,142
At 31 December 2020	20,463	11,565	6,573	38,601
Charge for the year	4,685	3,729	-	8,414
At 31 December 2021	25,148	15,294	6,573	47,015
Net Book Value -				
31 December 2021	5,768	4,040	-	9,808
31 December 2020	10,453	6,915	-	17,368

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21. Leases

(a) Amounts recognised in the statement of financial position

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Building	1,354	1,069	1,354	1,069
Total right-of-use asset	1,354	1,069	1,354	1,069
Current	1,374	1,069	1,374	1,069
Non-current	-	-	-	-
Total lease liabilities	1,374	1,069	1,374	1,069

(b) Amounts recognised in the statement of comprehensive income

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation charge of right-of-use assets:				
Properties	5,191	3,968	5,191	3,968
	5,191	3,968	5,191	3,968
Interest expense	208	173	208	173

21. Leases (Continued)

The total cash outflow for leases in 2021 was $5.1m (2020: $4.3m).

(c) The Group's leasing activities and how these are accounted for.
The Group leases its offices. Rental contracts are typically made for fixed periods, on average 3 years but may have extension options.
Contracts may contain both lease and non-lease components. Where these exist, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments)
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

i. where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
ii. makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

i. the amount of the initial measurement of lease liability;
ii. any lease payments made at or before the commencement date
iii. any initial direct costs; and
iv. restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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22. Investment in Subsidiaries

	2021 $'000	2020 $'000
Eppley Fund Managers Limited	76,617	70,606
Paynter (Jamaica) Limited	1	1
Fleet Limited	143,393	143
	220,011	70,750

23. Deferred Income Taxes

Deferred income taxes are calculated on temporary differences under the liability methods using an effective tax rate of 25% (2020 – 25%) for the Group and nil for the Company for both 2021 and 2020.

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Deferred tax assets	(8,741)	(15,251)	-	-
Deferred tax liabilities	4,188	-	-	-
Net Deferred tax assets	(4,553)	(15,251)	-	-

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance as at 1 January	(15,251)	(9,891)	-	146
Statement of comprehensive income (Note 11)	10,698	(5,360)	-	(146)
Balance as at 31 December	(4,553)	(15,251)	-	-

Deferred income tax liabilities are attributable to the following items:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Property, plant and equipment	(3)	-	-	-
Foreign exchange	193	797	-	-
Lease receivable	13,396	-	-	
	13,586	797	-	-

Deferred income tax assets are attributable to the following items:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Property, plant and equipment	(1)			
Tax losses	(18,138)	(16,048)	-	-
	(18,139)	(16,048)	-	-

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23. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Property, plant and equipment	3	147	-	146
Lease receivable	(13,396)	(4,077)	-	-
Foreign exchange	605	(127)	-	-
Tax losses	2,090	9,417	-	-
	(10,698)	5,360	-	146

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Deferred tax assets to be recovered after more than one year	-	-	-	-
Deferred tax assets to be recovered within one year	(18,139)	(16,048)	-	-
Deferred tax liabilities to be settled after more than one year	-	-	-	-
Deferred tax liabilities to be settled within one year	13,586	797	-	-

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24. Related Party Transactions and Balances

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

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Interest income -				
Key management	1,395	1,650	390	645
Subsidiary	-	-	97,237	74,262
Affiliate	15,068	21,643	15,068	21,643
	16,463	23,293	112,695	96,550
Key management compensation -				
Directors' fees	360	380	360	380
Salaries and other short term benefits	67,770	58,074	67,770	58,074
Post- employment benefits	3,273	2,890	3,273	2,890
Management fees - income				
Subsidiaries	-	-	(13,567)	(11,900)
Affiliate	(850)	(850)	(850)	(850)
Management fees - expense	2,000	2,000	2,000	2,000
Rental and maintenance expense -				
Affiliate	6,627	5,668	6,627	5,668

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24. Related Party Transactions and Balances (Continued)

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

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Due to related parties -				
Subsidiaries	-	-	61,104	5,608
Affiliate	1,653	1,653	1,653	1,653
	1,653	1,653	62,757	7,261
Loan due to related parties (Note 25) - Balance at the beginning and end of year	500	500	500	500
Insurance premium financing receivables - Affiliates (Note 15)	65,433	67,628	65,433	67,628

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Due from subsidiaries:-				
(i) Loans receivable	-	-	1,088,099	693,457
(ii) Other receivables	-	-	1,336	43,597
	-	-	1,089,435	737,054
Due from affiliates:-				
(iii) Loans receivable (Note 16)				
Balance at the beginning of year	150,677	147,836	150,677	147,836
Interest earned	15,068	21,643	15,068	21,643
Repayments	(65,062)	(22,732)	(65,062)	(22,732)
Foreign exchange translation	4,308	3,930	4,308	3,930
Balance at end of year	104,991	150,677	104,991	150,677
(iv) Key management	10,133	14,103	1,090	5,060

Loans receivable from key management attract interest at an average rate of 9.5% and 12% (2020 – 9.5% and 12%) and are repayable within 12 months.

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25. Borrowings

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Composition of borrowings				
(a) Loans from affiliates (Note 24 (b))	500	500	500	500
(b) Short term loans from external lenders	614,251	570,597	614,251	570,597
(c) Long term loans from external lenders	3,514,785	2,345,793	2,627,346	2,314,251
	4,129,536	2,916,890	3,242,097	2,885,348
Less: Current portion				
Loans from affiliates	(500)	(500)	(500)	(500)
Loan from external lender	(624,696)	(1,142,907)	(620,351)	(1,142,447)
Unwinding of unamortised fees within 12 months	22,745	15,811	20,313	13,505
Non-current borrowings	3,527,585	1,789,794	2,641,559	1,755,906

(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 loans from external lenders represent a bond issued in 2021 that matures in September 2022 at an interest rate of 4.95%.

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25. Borrowings (Continued)

(c) Long term loans from external lenders

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Redeemable preference shares (i)	2,676,826	1,783,868	2,676,826	1,783,868
Long term notes (ii)	897,571	597,993	-	555,496
Less: Unamortised fees	(59,612)	(36,068)	(49,480)	(25,113)
	3,514,785	2,345,793	2,627,346	2,314,251

(i) These represent the following redeemable preference shares that are listed on the Main Market of the Jamaica Stock Exchange, unless otherwise stated:

(1) 60,264,000 preference shares issued in December 2018 that was repaid in August 2021 and attracted interest at a rate of 8.25% per annum;

(2) 41,666,667 preference shares issued in January 2019 that was repaid in August 2021 and attracted interest at a rate of 8.75% per annum;

(3) 83,334,000 preference shares issued in December 2019 that mature in December 2024 and attract interest at a rate of 7.50% per annum; and

(4) 4,712,800 USD preference shares issued in January 2018 and rolled in January 2021 to mature in December 2021 and attract interest at a rate of 6.00% per annum;

(5) 15,000,000 preference shares issued in August 2021 that mature in August 2023 and attract interest at a rate of 5.00% per annum; and

(6) 30,000,000 preference shares issued in August 2021 that mature in August 2026 and attract interest at a rate of 7.25% per annum; and

(7) 26,667,100 preference shares issued in August 2021 that mature in August 2028 and attract interest at a rate of 7.75% per annum

(ii) These represent the following:

(1) US$1,500,000 (approximately J$213 million) note issued in August 2019 that was repaid in August 2021 and attracted interest at 4.75%.

(2) J$335,000,000 note issued in July 2018 that was repaid in August 2021 and attracted interest at 8%.

(3) BB$600,000 (approximately J$42 million) loan received in July 2020 that is repayable in July 2025 and attracts interest at 4.25%.

(4) $961.4 million bank loan received on April 1, 2017 and May 7, 2021 that both mature on April 7, 2026 and attract interest at 7.00% per annum.

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26. Other Liabilities

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Accruals	33,913	23,277	19,775	21,400
Due to clients	200,650	129,356	96,957	59,297
Other	54,944	60,028	50,824	51,847
	289,507	212,661	167,556	132,544

27. Share Capital

	2021 $'000	2020 $'000
Authorised -		
195,000,000 (2020 – 195,000,000) ordinary shares of no par		
Issued and fully paid -		
192,468,300 (2020 – 192,468,300) stock units	492,343	492,343

28. Other Reserves

Other reserves primarily represent the currency translation differences resulting from the unrealised gains and losses on the translation of the net assets of subsidiaries that have a different functional currency from that of the Group.

29. Fair Value Reserves

Fair value reserves primarily represent the unrealised gain/(loss) on investments measured at fair value through other comprehensive income. As at December 31, 2021, these reserves represent the fair value movement on units held in quoted and unquoted investments.

30. Dividends

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

	The Group and The Company	
	2021 $'000	2020 $'000
First interim dividend, gross - $0.83 (2020 – $0.57) per ordinary stock units	159,748	109,706
Second interim dividend, gross - $0.0372 (2020 – $0.0372) per ordinary stock units	7,160	7,160
Third interim dividend, gross - $0.0372 (2020 – $0.0372) per ordinary stock units	7,160	7,160
Fourth interim dividend, gross - $0.0372 (2020 – $0.0372) per ordinary stock units	7,160	7,160
	181,228	131,186