Eppley Limited

Financial Statements
31 December 2022

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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 2022, 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 2022;
- 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 2022;
- 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.

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.

The Group comprises the Company and three wholly owned subsidiaries, two of which are located in Jamaica and one in Barbados. 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 the Group's reporting date and performed additional audit procedures on specific account balances and transactions as at 31 December 2022 and for the year then ended.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter

Valuation of Level 3 unquoted investment securities classified as fair value through other comprehensive income (Group and Company)
See 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 $297 million for the Group and the Company (5% and 7% of total assets for the Group and Company respectively) as at the reporting 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 significant auditor attention in this area.
	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 management's key valuation assumptions and inputs by:
	    o Referencing historical financial information in management's cash flow projections to audited financial statements;
	    o Evaluating the revenue growth rates which included assessing them against published inflation rates; and
	    o 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.

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 2023
Kingston, Jamaica

Eppley Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net Investment Income			
Interest income		438,363	386,562
Interest expense		(300,392)	(285,619)
Net Interest Income		137,971	100,943
Asset management fee income	8 (i)	283,343	219,107
Fees and other operating income	8 (ii)	91,483	139,996
Administrative expenses	9	(243,004)	(211,686)
Net impairment losses on financial assets	4 (a)	(2,895)	(1,471)
Share of net profit from joint venture	19	2,944	21,576
Profit before Taxation		269,842	268,465
Taxation	11	(31,045)	(16,834)
Net Profit		238,797	251,631
Other Comprehensive Income:			
Items that will not be reclassified			
Exchange differences on translation of foreign operations		(3,245)	14,226
Changes in fair value of equity investments at fair value through other comprehensive income		4,980	236
Other comprehensive income for the year, net of taxes		1,735	14,462
Total Comprehensive Income for the Year		240,532	266,093
Earnings per Stock Unit	12	$1.24	$1.31

Eppley Limited

Consolidated Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Assets			
Cash and deposits	13	1,031,327	661,397
Taxation recoverable		19,136	17,132
Other receivables	14	477,084	424,025
Insurance premium financing receivables	15	16,389	105,216
Loans receivable	16	1,209,960	1,417,606
Lease receivables	17	1,698,775	1,703,998
Investment securities	18	1,041,057	1,089,769
Investment in joint ventures	19	82,860	79,917
Deferred tax assets	23	420	8,741
Right-of-use-asset	21	7,273	1,354
Property, plant and equipment	20	25,925	9,897
Total assets		5,610,206	5,519,052
Liabilities			
Due to related parties	24	1,653	1,653
Taxation payable		10,416	3,930
Deferred tax liabilities	23	15,419	4,188
Borrowings	25	4,111,658	4,129,536
Lease liability	21	7,374	1,374
Other liabilities	26	366,407	289,507
Total liabilities		4,512,927	4,430,188
Share capital	27	492,343	492,343
Other reserves	28	12,873	16,118
Fair value reserves	29	65,327	60,347
Retained earnings		526,736	520,056
Total stockholders' equity		1,097,279	1,088,864
Total Liabilities and Equity		5,610,206	5,519,052

Approved for issue by the Board of Directors on 30 March 2023 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 2022

(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 2021		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
Net profit		-	-	-	238,797	238,797
Other comprehensive income for the year		-	4,980	(3,245)	-	1,735
Total comprehensive income for the year		-	4,980	(3,245)	238,797	240,532
Transactions with owners -						
Dividends	30	-	-	-	(232,117)	(232,117)
Balance at 31 December 2022		492,343	65,327	12,873	526,736	1,097,279

Eppley Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Net profit		238,797	251,631
Adjustments for:			
Depreciation	20	11,098	8,446
Amortisation of right-of-use-asset	21	1,384	5,191
Interest income		(438,363)	(386,562)
Dividend income		(53,058)	(34,228)
Interest expense		300,392	285,619
Unrealised gains on investment securities		(15,719)	6,441
Net impairment losses on financial assets		2,705	1,471
Gain on disposal of property, plant and equipment		(4,783)	-
Exchange gains on foreign currency denominated balances		9,132	(76,325)
Share of profits from joint venture	19	(2,942)	(21,576)
Taxation	11	31,045	16,834
		79,688	56,942
Changes in non-cash working capital components:			
Other receivables		(14,355)	(269,968)
Insurance premium financing receivables		89,024	33,473
Loans receivable		182,342	103,044
Lease receivables		5,106	(1,116,171)
Interest received		440,455	387,384
Dividend received		34,111	34,228
Other liabilities		75,459	67,468
		891,830	(703,600)
Taxation withheld at source		(2,004)	(2,689)
Tax paid		(4,955)	(7,597)
Interest paid		(295,086)	(248,049)
Net cash provided by/(used in) operating activities		589,785	(961,935)
Cash Flows from Investing Activities			
Acquisition of investment securities		-	(97,006)
Proceeds from sale of investment securities		52,313	-
Proceeds from sale of property, plant and equipment		4,783	-
Additions to property, plant and equipment	20	(27,126)	(910)
Net cash provided by/(used in) investing activities		29,970	(97,916)
Cash Flows from Financing Activities			
Dividends paid	30	(232,117)	(181,228)
Lease liability repaid	21	(1,384)	(5,191)
Loans received		193,852	2,626,138
Loans repaid		(193,388)	(1,518,373)
Net cash (used in)/provided by financing activities		(233,037)	921,346
Increase/(decrease) in net cash balances		386,718	(138,505)
Effects of foreign exchange rates changes on cash and cash equivalents		(20,718)	63,612
Cash and cash equivalents at beginning of year		605,471	680,364
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	971,471	605,471

Eppley Limited

Company Statement of Comprehensive Income
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Net Investment Income			
Interest income		368,730	339,054
Interest expense		(237,320)	(235,036)
Net Interest Income		131,410	104,018
Asset management fee income	8 (i)	55,114	49,513
Fees and other operating income	8 (ii)	122,423	138,030
Net impairment losses on financial assets	4 (a)	(2,985)	(1,582)
Administrative expenses	9	(203,612)	(180,080)
Profit before Taxation		102,350	109,899
Taxation	11	-	-
Net Profit		102,350	109,899
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		(350)	2,690
Total Comprehensive Income for the Year		102,000	112,589

Eppley Limited

Company Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Assets			
Cash and deposits	13	874,031	513,860
Taxation recoverable		17,413	15,423
Other receivables	14	189,309	159,468
Insurance premium financing receivables	15	16,389	105,216
Loans receivable	16	764,857	994,694
Lease receivables	17	815,878	767,278
Due from related parties	24	974,126	1,089,435
Investment securities	18	351,186	403,691
Investment in joint venture	19	15	15
Investment in subsidiaries	22	218,612	220,011
Right-of-use-asset	21	7,273	1,354
Property, plant and equipment	20	25,858	9,808
Total assets		4,254,947	4,280,253
Liabilities			
Due to related parties	24	114,875	62,757
Borrowings	25	3,223,893	3,242,097
Lease liability	21	7,374	1,374
Other liabilities	26	232,453	167,556
Total liabilities		3,578,595	3,473,784
Stockholders' Equity			
Share capital	27	492,343	492,343
Fair value reserves	29	58,003	58,353
Retained earnings		126,006	255,773
Total stockholders' equity		676,352	806,469
Total Liabilities and Equity		4,254,947	4,280,253

Approved for issue by the Board of Directors on 30 March 2023 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 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Fair Value Reserves $'000	Total $'000
Balance at 1 January 2021		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
Net profit		-	102,350	-	102,350
Other comprehensive income		-	-	(350)	(350)
Total comprehensive income		-	102,350	(350)	102,000
Transactions with owners -					
Dividends	30	-	(232,117)	-	(232,117)
Balance at 31 December 2022		492,343	126,006	58,003	676,352

Eppley Limited
Company Statement of Cash Flows
Year ended 31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Net profit		102,350	109,899
Adjustments for:			
Depreciation	20	11,076	8,414
Amortisation of right-of-use-asset	21	1,384	5,191
Interest income		(368,730)	(339,054)
Dividend Income		(96,043)	(27,380)
Interest expense		237,320	235,036
Unrealised loss on investment securities		(7,599)	10,859
Gain on disposal of property, plant and equipment		(4,783)	-
Net impairment losses on financial assets		2,985	1,582
Exchange gains on foreign currency denominated balances		10,478	(79,727)
		(111,562)	(75,180)
Changes in non-cash working capital components:			
Other receivables		(7,221)	(81,713)
Due from related parties		115,309	(352,381)
Insurance premium financing receivables		88,840	33,473
Loans receivable		195,882	91,850
Lease receivables		(48,587)	(179,355)
Interest received		370,822	339,876
Dividend received		96,043	27,380
Due to related parties		52,118	55,496
Other liabilities		63,806	28,867
		815,450	(111,687)
Taxation withheld at source		(1,990)	(2,616)
Interest paid		(229,537)	(203,714)
Net cash provided by/(used in) operating activities		583,923	(318,017)
Cash Flows from Investing Activities			
Investment in subsidiary		-	(143,250)
Proceeds from sale of investment securities		52,313	289,601
Proceeds from sale of property, plant and equipment		4,783	-
Additions to property, plant and equipment	20	(27,126)	(854)
Net cash provided by investing activities		29,970	145,497
Cash Flows from Financing Activities			
Dividends paid	30	(232,117)	(181,228)
Lease liability repaid		(1,384)	(5,191)
Loans received		-	1,664,739
Loans repaid		-	(1,406,537)
Net cash (used in)/provided by financing activities		(233,501)	71,783
Increase/(decrease) in net cash balances		380,392	(100,737)
Effects of foreign exchange rates changes on cash and cash equivalents		(20,346)	46,902
Cash and cash equivalents at beginning of year		512,814	566,649
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	872,860	512,814

Eppley Limited

Notes to the Financial Statements
31 December 2022
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Eppley Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. The company 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.

- IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. In May 2020, 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. On 31 March 2021the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 202. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which the event or condition that triggers the reduced payment occurs. This amendment did not have a significant impact on the Group.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16 (effective 1 January 2022).

Amendments to IFRS 3, 'business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to IFRS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

Amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

The above narrow-scope amendments did not have a significant impact on the Group.

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:

- Narrow scope amendments to IAS 1, practice statement 2 and IAS 8 effective for annual periods beginning on or after 1 January 2023). 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 Group is currently assessing the impact of these amendments.

- Amendment to IAS 12- deferred tax related to assets and liabilities arising from single transaction (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The Group is currently assessing the impact of this amendment.

- Amendment to IFRS 16, 'Leases' (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The Group is currently assessing the impact of this amendment.

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 IAS1, 'Presentation of Financial statements' (effective for annual periods beginning on or after 1 January 2024). clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Group will apply these amendment to future transactions.

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.

(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.

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2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation (continued)

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

	Principal Activities	% Ownership by Group at 31 December 2022	% Ownership by Company at 31 December 2022	% Ownership by Group at 31 December 2021	% Ownership by Company at 31 December 2021
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	100	100

(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.

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2. Summary of Significant Accounting Policies (Continued)

(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.

(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.

2. Summary of Significant Accounting Policies (Continued)

(g) Insurance premium financing receivables

Insurance premium financing (IPF) receivables are non-derivative financial assets with fixed or determinable payments. They are 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.

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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%

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.

(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.

2. Summary of Significant Accounting Policies (Continued)

(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.

(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.

2. Summary of Significant Accounting Policies (Continued)

(t) Leases (continued)

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.

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

(b) Critical accounting estimates and assumptions (continued)

(ii) Measurement of the expected credit loss allowance on insurance premium financing, loans and leases (continued)

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).

(iii) 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.

(iv) 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.

(v) 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.

4. Financial Risk Management (Continued)

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board of Directors has established committees and departments for managing and monitoring risks, as follows:

(i) Investment Committee

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

(ii) Finance Department

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

(iii) Audit Committee

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

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is the most important risk for the Group's business; management, therefore, carefully manages its exposure to credit risk. Credit exposures arise principally from the insurance premium financing receivables, lease receivable, loans receivable, other receivables, due from related 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.

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash and deposits	1,031,327	661,397	874,031	513,860
Other receivables	143,521	75,357	33,366	11,562
Investment securities	390,502	446,000	30,677	87,700
Due from related parties	-	-	974,126	1,089,435
Insurance premium financing receivables	16,389	105,216	16,389	105,216
Loans receivable	1,209,960	1,417,606	764,857	994,694
Lease receivables	1,698,775	1,703,998	815,878	767,278
	4,490,474	4,409,574	3,509,324	3,569,745

The above table represents a worst case scenario of credit risk exposure to the Group at 31 December 2022 and 2021.

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)

On that basis, the loss allowance as at 31 December 2022 and 2021 was determined as follows for insurance premium financing on the Group and the Company:

	Group and Company			
	Current	**31-90 Days**	**More than 90 Days**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31-Dec-22				
Expected credit loss rate	23.85%	23.87%	100.00%	
Gross carrying amount – insurance premium financing	17,534	3,989	1,768	23,291
Loss allowance	**(4,181)**	**(952)**	**(1,768)**	**(6,901)**

	Group and Company			
	Current	**31-90 Days**	**More than 90 Days**	**Total**
	$'000	**$'000**	**$'000**	**$'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)**

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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 2022 and 2021 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-22				
Expected credit loss rate	0.15%	4.69%	29.04%	
Gross carrying amount – loans and lease receivables	2,903,804	4,519	7,114	2,915,437
Loss allowance	**(4,424)**	**(212)**	**(2,066)**	**(6,702)**

	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)**

	Company			
	Current	31-90 Days	More than 90 Days	Total
	$'000	$'000	$'000	$'000
31-Dec-22				
Expected credit loss rate	0.27%	4.69%	29.37%	
Gross carrying amount – loans and lease receivables	1,575,749	4,519	7,035	1,587,303
Loss allowance	**(4,290)**	**(212)**	**(2,066)**	**(6,568)**

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4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

	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)**

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

Group	**2022**	**2021**
	$'000	**$'000**
Opening loss allowance as at 1 January	10,811	9,528
Increase in loss allowance recognised in the statement of comprehensive income during the year	2,895	1,471
Bad debts recovered during the year	(190)	(50)
Bad debt recovery adjustment	88	65
Bad debts written off to profit or loss	-	(125)
Bad debts written off from receivables	-	(78)
At 31 December	13,604	10,811

Company	**2022**	**2021**
	$'000	**$'000**
Opening loss allowance as at 1 January	10,673	9,423
Increase in loss allowance recognised in the statement of comprehensive income during the year	2,985	1,582
Bad debts recovered during the year	(190)	(50)
Loss allowance on related party balances	2	(79)
Bad debts written off to profit or loss	-	(125)
Bad debts written off from receivables	-	(78)
At 31 December	13,470	10,673

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)

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.

Sensitivity analysis

Set out below are the changes in ECL as at 31 December 2022 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	0.64% - 0.80%	+/- 20%	2	(2)
Loans and leases receivables	0.05% - 0.75%	+/- 20%	111	(111)
Total			113	(113)

	The Company			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Higher threshold**	**Lower threshold**
Insurance premium financing receivables	0.64% - 0.80%	+/- 20%	2	(2)
Loans and leases receivables	0.05% - 0.75%	+/- 20%	126	(126)
Total			128	(128)

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.

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

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

	The Group						
	Within 1 Month $'000	**1 to 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**No Specific Maturity Date $'000**	**Total $'000**
As at 31 December 2022:							
Financial Assets							
Cash and deposits	313,510	201,663	-	58,685	-	457,428	1,031,286
Investment securities	-	-	-	-	26,627	1,014,430	1,041,057
Insurance premium financing	22,926	1,128	476	-	-	-	24,530
Lease receivables	59,703	120,404	516,566	1,519,893	5,351	-	2,221,917
Loans receivable	511,615	281,366	242,536	286,112	-	-	1,321,629
Total financial assets	**907,754**	**604,561**	**759,578**	**1,864,690**	**31,978**	**1,471,858**	**5,640,419**
Financial Liabilities							
Due to related parties	1,653	-	-	-	-	-	1,653
Borrowings	50,085	81,494	667,164	4,044,699	-	-	4,843,442
Lease liability	500	1,000	4,504	1,601	-	-	7,605
Other liabilities	136,668	21,430	35,107	68,224	104,979	-	366,408
Total financial liabilities	**188,906**	**103,924**	**706,775**	**4,114,524**	**104,979**	**-**	**5,219,108**
Net Liquidity Gap	**718,848**	**500,637**	**52,803**	**(2,249,834)**	**(73,001)**	**1,471,858**	**421,311**
Cumulative gap	**718,848**	**1,219,485**	**1,272,288**	**(977,546)**	**(1,050,547)**	**421,311**	

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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 2022:							
Financial Assets							
Cash and deposits	313,510	201,663	-	-		358,858	874,031
Investment securities	-	-	-	-	26,627	324,559	351,186
Due from related parties	831,006	16,102	75,021	115,813	109,055	-	1,146,997
Insurance premium financing	22,926	1,128	476	-	-	-	24,530
Lease receivables	36,008	73,014	303,311	620,413	5,025	-	1,037,771
Loans receivable	375,878	120,425	151,132	164,279		-	811,714
Total financial assets	**1,579,328**	**412,332**	**529,940**	**900,505**	**140,707**	**683,417**	**4,246,229**
Financial Liabilities							
Due to related parties	1,653	-	-	-	-	-	1,653
Borrowings	26,237	33,797	452,529	3,322,466		-	3,835,029
Lease liability	500	1,000	4,504	1,601	-	-	7,605
Other liabilities	115,061	13,821	35,107	68,224	239	-	232,452
Total financial liabilities	**143,451**	**48,618**	**492,140**	**3,392,291**	**239**	**-**	**4,076,739**
Net Liquidity Gap	**1,435,877**	**363,714**	**37,800**	**(2,491,786)**	**140,468**	**683,417**	**169,490**
Cumulative gap	**1,435,877**	**1,799,591**	**1,837,391**	**(654,395)**	**(513,927)**	**169,490**	

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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 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	1,653	-	-	-	-	-	1,653
Due to related parties	50,539	74,186	952,643	3,967,464	-	-	5,044,832
Borrowings	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**	

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 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)

(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 2022, the Group's statement of financial position includes aggregate net foreign assets of US$5,855,000 (2021 - US$6,199,000).

At 31 December 2022, the Company's statement of financial position includes aggregate net foreign assets of US$6,204,000 (2021 - US$7,509,000).

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 2022	Effect on Profit before Taxation 2022	% Change in Currency Rate 2021	Effect on Profit before Taxation 2021
USD - Revaluation	1%	(8,780)	2%	(18,940)
USD - Devaluation	4%	35,120	8%	75,759

	The Company			
	% Change in Currency Rate 2022	Effect on Profit before Taxation 2022	% Change in Currency Rate 2021	Effect on Profit before Taxation 2021
USD - Revaluation	1%	(9,304)	2%	(22,939)
USD - Devaluation	4%	37,214	8%	91,755

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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 2022:							
Financial Assets							
Cash and deposits	313,510	201,663	-	58,685	-	457,428	1,031,286
Investment securities	-	-	-	-	26,627	1,014,430	1,041,057
Insurance premium financing	14,717	708	964	-	-	-	16,389
Lease receivables	-	639	58,017	1,580,784	59,335	-	1,698,775
Loans receivable	463,409	235,314	162,087	349,150	-	-	1,209,960
Total financial assets	**791,636**	**438,324**	**221,068**	**1,988,619**	**85,962**	**1,471,858**	**4,997,467**
Financial Liabilities							
Due to related parties	-	-	-	-	-	1,653	1,653
Borrowings	-	-	298,075	3,813,083	-	500	4,111,658
Lease liability	-	-	-	7,374	-	-	7,374
Other liabilities	-	-	-	-	-	366,407	366,407
Total financial liabilities	**-**	**-**	**298,075**	**3,820,457**	**-**	**368,560**	**4,487,092**
Total interest repricing gap	**791,636**	**438,324**	**(77,007)**	**(1,831,838)**	**85,962**	**1,103,298**	**510,375**
Cumulative gap	**791,636**	**1,229,960**	**1,152,953**	**(678,885)**	**(592,923)**	**510,375**	

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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 2022:							
Financial Assets							
Cash and deposits	313,510	201,663	-	-	-	358,858	874,031
Investment securities	-	-	-	-	26,627	324,559	351,186
Due from related parties	822,482	-	-	46,677	104,967	-	974,126
Insurance premium financing	14,717	708	964	-	-	-	16,389
Lease receivables	-	640	58,017	708,955	48,266	-	815,878
Loans receivable	351,921	101,300	110,947	200,689		-	764,857
Total financial assets	**1,502,630**	**304,311**	**169,928**	**956,321**	**179,860**	**683,417**	**3,796,467**
Financial Liabilities							
Due to related parties	-	-	-	-	-	114,875	114,875
Borrowings	-	-	298,075	2,925,318	-	500	3,223,893
Lease liability	-	-	-	7,374.00	-	-	7,374
Other liabilities	-	-	-	-	-	232,453	232,453
Total financial liabilities	**-**	**-**	**298,075**	**2,932,692**	**-**	**347,828**	**3,578,595**
Total interest repricing gap	**1,502,630**	**304,311**	**(128,147)**	**(1,976,371)**	**179,860**	**335,589**	**217,872**
Cumulative gap	**1,502,630**	**1,806,941**	**1,678,794**	**(297,577)**	**(117,717)**	**217,872**	

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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**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total**
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**
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 receivables	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**	

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, 2022 the Group held $119,712,000 (2021: $103,996,000) of its investment in quoted equities. The Company held $23,855,000 (2021 - $13,469,000) of its investments in quoted equities.

Sensitivity analysis
All the Group and Company's quoted investments are listed on the Jamaica Stock Exchange. A 6% (2021: 5%) increase in the unit prices of the equity holding would have increased equity (before considering the effect of taxation) by $7,183,000 (2021 - $5,199,800) and $1,431,000 (2021 - $673,450) for the Group and Company respectively.

A 6% (2021: 5%) decline would have decreased comprehensive income by $7,183,000 (2021: $5,199,800) and $1,431,000 (2021: $673,450) 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, revenue growth rate and the discount rates. The following methods and assumptions have been used:

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 2022				
Financial assets at fair value through profit or loss -				
Quoted equity investment	119,712	-	-	119,712
Unquoted equity investment	-	363,875	-	363,875
Unquoted common stock	-	-	234,189	234,189
Corporate bonds	-	26,627	-	26,627
Financial assets at fair value through other comprehensive income -				
Unquoted equity investment	-	-	296,654	296,654
	119,712	**390,502**	**530,843**	**1,041,057**

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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 2022				
Financial assets at fair value through profit or loss -				
Quoted equity investment	23,855	-	-	23,855
Unquoted equity investment	-	4,050	-	4,050
Corporate bonds	-	26,627	-	26,627
Financial assets at fair value through other comprehensive income -				
Unquoted equity investment	-	-	296,654	296,654
	23,855	**30,677**	**296,654**	**351,186**

	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**

There has been no movement between level.

Sensitivity analysis

A 6% (2021: 5%) increase in the unit prices of the level 3 investments would have increased equity before considering the effect of tax of $31,851,000 (2021 - $26,989,000) for the Group and $17,799,000 (2021: $15,126,000) for the company. A 6% (2021: 5%) decline would have decreased equity by $31,851,000 (2021: $26,989,000) before considering the effect of tax.

A discount rate was included as one of the inputs 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 decreased/increased the fair value of the instrument by $16,886,000 and $18,344,000, respectively.

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 2022 and 31 December 2021.

	The Group	
	2022	**2021**
	$'000	**$'000**
Opening balance 1 January 2022	539,773	495,690
Fair value (loss)/gain recognised in other comprehensive income	(8,930)	44,083
Closing balance 31 December 2022	530,843	539,773

	The Company	
	2022	**2021**
	$'000	**$'000**
Opening balance 1 January 2022	302,522	276,329
Fair value (loss)/gain recognised in other comprehensive income	(5,868)	26,193
Closing balance 31 December 2022	296,654	302,522

(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.

2022	**Insurance Premium Finance**	**Loans**	**Leases**	**Asset Management**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Income as per segment	7,618	157,246	261,935	283,343	710,142
Unallocated income					103,047
Share of net profit from joint venture					2,944
Unallocated expense					(546,291)
Profit before Taxation					269,842
Taxation					(32,480)
Net Profit					237,362

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

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7. Segment Information (Continued)

Other statement of comprehensive income disclosures:

	2022 $'000	2021 $'000
Depreciation	11,098	8,446

Allocation of assets:	Total Assets 2022 $'000	Total Assets 2021 $'000
Insurance premium financing	16,389	105,216
Loans	1,209,960	1,417,606
Leases	1,698,775	1,703,998
Asset management	89,461	61,551
Total segment assets	3,014,585	3,288,371
Unallocated:-		
Cash and deposits	1,031,286	661,397
Taxation recoverable	19,136	17,132
Other receivables	387,679	362,488
Investment securities	1,041,057	1,089,769
Investment in joint venture	82,845	79,903
Property, plant and equipment	25,925	9,897
Deferred tax	420	8,741
Right-of-use-asset	7,273	1,354
Total Assets per Statement of Financial Position	5,610,206	5,519,052

Total capital expenditure was as follows:

	2022 $'000	2021 $'000
Property, plant and equipment	27,126	910

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8. Other Income

(i) Asset Management Fee Income

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Management fees	177,391	156,349	39,646	32,300
Managers' preference dividend	89,644	48,612	-	3,975
Performance fees	840	1,895	-	987
Arranger's Fees	15,468	12,251	15,468	12,251
	283,343	219,107	55,114	49,513

(ii) Fees and Other Operating Income

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-participating preference dividends	-	6,925	-	6,925
Dividend income	53,058	47,690	96,043	40,842
Fair value gains/(losses) on equity securities at FVPL	16,069	(9,131)	7,949	(13,549)
Fee income	23,149	20,351	20,571	19,732
Foreign exchange gains	(9,133)	69,806	(10,479)	79,727
Gain on disposal of property, plant and equipment	4,783	-	4,783	-
Other	3,557	4,355	3,556	4,353
	91,483	139,996	122,423	138,030

9. Expenses by Nature

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Auditors' remuneration -	6,578	5,203	3,153	2,867
Depreciation and amortisation (Notes 20 & 21)	12,482	13,637	12,460	13,605
Marketing and advertising	37	809	37	809
Bad debts recovered	(190)	(50)	(190)	(50)
Professional fees	18,653	15,269	16,514	13,623
Rent and maintenance	6,944	2,469	5,839	1,406
Repairs and maintenance	593	520	593	520
Staff costs (Note 10)	158,222	138,896	144,477	130,202
Stationery	3,021	2,652	3,021	2,652
Utilities	3,516	3,217	3,326	3,085
Other	33,148	29,064	14,380	11,361
Total	243,004	211,686	203,612	180,080

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10. Staff Costs

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Wages and salaries	126,694	114,490	112,948	105,796
Payroll taxes – employer's contribution	13,450	11,846	13,450	11,846
Pension costs	3,734	3,236	3,734	3,236
Other	14,344	9,324	14,345	9,324
	158,222	138,896	144,477	130,202

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	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Current income tax charge	11,493	6,136	-	-
Deferred tax (Note 23)	19,552	10,698	-	-
	31,045	16,834	-	-

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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	
	2022 **$'000**	**2021** **$'000**	**2022** **$'000**	**2021** **$'000**
Profit before taxation	269,842	268,465	102,350	109,899
Tax calculated at 25% (2021 - 25%)	67,462	67,117	25,588	27,475
Adjusted for the effects of:				
Income not subject to tax	(26,081)	(19,798)	(7,273)	(8,202)
Expenses not deductible for tax	63,753	60,234	63,753	60,234
Joint venture's results reported net of tax	(736)	(5,394)	-	-
Net effect of other charges and allowances	19,991	5,935	-	-
Effect of different tax rates	(93,344)	(91,260)	(82,068)	(79,507)
	31,045	16,834	-	-

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.

	2022 $'000	2021 $'000
Net profit attributable to stockholders ($'000)	238,797	251,631
Weighted average number of stock units outstanding ('000)	192,468	192,468
Earnings per stock unit ($)	1.24	1.31

Included in borrowings are 2022, 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)).

13. Cash and Cash Equivalents

	The Group	
	2022	**2021**
	$'000	**$'000**
Cash and bank balances	516,154	305,263
Term deposits	515,173	356,134
	1,031,327	661,397
Less: Restricted cash	(58,644)	(54,880)
Less: Interest receivable	(1,212)	(1,046)
	971,471	605,471

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

	The Company	
	2022	**2021**
	$'000	**$'000**
Cash and bank balances	358,859	212,606
Term deposits	515,172	301,254
	874,031	513,860
Less: Interest receivable	(1,171)	(1,046)
	872,860	512,814

Included in cash and bank balances are foreign currency current accounts which earn interest at 0.00% to 0.25% (2021 - 0.01% to 0.60%).

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

	The Group and The Company	
	2022	**2021**
	%	**%**
J$ - short term deposits	8.26	3.97
US$ - short term deposits	4.42	3.00

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14. Other Receivables

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Prepaid expenses	151	125	151	125
GCT recoverable	333,302	348,472	155,683	147,710
Other	143,631	75,428	33,475	11,633
	477,084	424,025	189,309	159,468

15. Insurance Premium Financing Receivables

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
IPF loans receivable from affiliates	-	65,433	-	65,433
IPF loans receivable from external customers	31,432	58,482	31,432	58,482
Unearned interest	(8,142)	(12,035)	(8,142)	(12,035)
	23,290	111,880	23,290	111,880
Expected credit losses	(6,901)	(6,664)	(6,901)	(6,664)
	16,389	105,216	16,389	105,216

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

16. Loans Receivable

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Loans receivable from affiliates	358,954	104,991	205,990	104,991
Loans receivable from external customers	857,533	1,316,593	565,354	893,640
	1,216,487	1,421,584	771,344	998,631
Expected credit losses	(6,527)	(3,978)	(6,487)	(3,937)
	1,209,960	1,417,606	764,857	994,694

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

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17. Lease Receivables

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Gross investment in finance leases –				
Not later than one year	74,610	33,301	74,610	33,301
Later than one year and not later than five years	2,085,914	2,289,636	901,769	951,316
Over five years	61,393	-	61,393	-
	2,221,917	2,322,937	1,037,772	984,617
Less: Unearned income	(523,142)	(618,939)	(221,894)	(217,339)
	1,698,775	1,703,998	815,878	767,278
Net investment in finance leases may be classified as follows:				
Not later than one year	58,657	962,671	58,657	25,951
Later than one year and not later than five years	1,591,852	741,327	708,955	741,327
Over five years	48,266	-	48,266	-
	1,698,775	1,703,998	815,878	767,278

18. Investment Securities

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Fair value through profit or loss -				
Debt instruments	26,627	83,429	26,627	83,429
Participating and Non-participating preference shares	363,875	362,571	4,050	4,271
Unquoted common stock	234,189	237,251	-	-
Quoted equities	119,712	103,996	23,855	13,469
Fair value through other comprehensive income -				
Unquoted equities	296,654	302,522	296,654	302,522
	1,041,057	1,089,769	351,186	403,691

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**	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Opening net assets at 1 January	79,917	58,331	15	14
Capital invested	-	8	-	-
Foreign exchange gain	1	2	-	1
Profit for the year	2,942	21,576	-	-
Carrying amount	82,860	79,917	15	15

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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.

	2022				2021			
	CMF II	**CMF I**	**RRH II**	**Total**	**CMF II**	**CMF I**	**RRHII**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Current assets								
Other current assets	-	-	124	124	-	-	124	124
Total current assets	-	-	124	124	-	-	124	124
Non-current assets	15	30	170,000	170,045	15	31	162,600	162,646
Total assets	15	30	170,124	170,169	15	31	162,724	162,770
Current liabilities								
Other current liabilities	-	-	4,449	4,449	-	-	2,936	2,936
Total current liabilities	-	-	4,449	4,449	-	-	2,936	2,936
Non-current financial liabilities	-	-	-	-	-	-	-	-
Total liabilities		-	4,449	4,449		-	2,936	2,936
Net assets	15	30	165,675	165,720	*15	*31	159,788	159,834

* 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

	2022		2021	
	RRH II $'000	**Total $'000**	**RRH II $'000**	**Total $'000**
Revenue	7,400	7,400	44,600	44,600
Operating expenses	(1,516)	(1,516)	(1,448)	(1,448)
Profit before tax	5,884	5,884	43,152	43,152
Taxation	-	-	-	-
Total comprehensive income	5,884	5,884	43,152	43,152

Reconciliation to carrying amounts

	2022				2021			
	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	30	165,675	165,720	15	31	159,787	159,833
Company's share (%)				50				50
Carrying amount				82,860				79,917

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 2022.

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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 2021	30,916	20,161	6,653	57,730
Additions	-	854	56	910
At 31 December 2021	30,916	21,015	6,709	58,640
Additions	26,630	496	-	27,126
Disposal	(7,200)	-	-	(7,200)
At 31 December 2022	50,346	21,511	6,709	78,566
Depreciation -				
At 1 January 2021	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
Charge for the year	9,542	1,542	14	11,098
Eliminated on disposal	(7,200)	-	-	(7,200)
At 31 December 2022	27,490	18,470	6,681	52,641
Net Book Value -				
31 December 2022	22,856	3,041	28	25,925
31 December 2021	5,768	4,087	42	9,897

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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 2021	30,916	18,480	6,573	55,969
Additions	-	854	-	854
At 31 December 2021	30,916	19,334	6,573	56,823
Additions	26,630	496	-	27,126
Disposals	(7,200)	-	-	(7,200)
At 31 December 2022	50,346	19,830	6,573	76,749
Depreciation -				
At 1 January 2021	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
Charge for the year	9,542	1,534	-	11,076
Eliminated on Disposal	(7,200)	-	-	(7,200)
At 31 December 2022	27,490	16,828	6,573	50,891
Net Book Value -				
31 December 2022	22,856	3,002	-	25,858
31 December 2021	5,768	4,040	-	9,808

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21. Leases

(a) Amounts recognised in the statement of financial position

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Building	7,273	1,354	7,273	1,354
Total right-of-use asset	7,273	1,354	7,273	1,354
Current	5,863	1,374	5,863	1,374
Non-current	1,511	-	1,511	-
Total lease liabilities	7,374	1,374	7,374	1,374

(b) Amounts recognised in the statement of comprehensive income

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation charge of right-of-use assets:				
Properties	1,384	5,191	1,384	5,191
	1,384	5,191	1,384	5,191
Interest expense	55	208	55	208

21. Leases (Continued)

The total cash outflow for leases in 2022 was $6m (2021: $5.1m).

(c) *The Group's leasing activities and how these are recorded*

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.

22. Investment in Subsidiaries

	2022 $'000	2021 $'000
Eppley Fund Managers Limited	75,218	76,617
Paynter (Jamaica) Limited	1	1
Fleet Limited	143,393	143,393
	218,612	220,011

23. Deferred Income Taxes

Deferred income taxes are calculated on temporary differences under the liability methods using an effective tax rate of 25% (2021 – 25%) for the Group and nil for the Company for both 2022 and 2021.

	The Group	
	2022 $'000	2021 $'000
Deferred tax assets	(420)	(8,741)
Deferred tax liabilities	15,419	4,188
Net Deferred tax assets	14,999	(4,553)

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

	The Group	
	2022 $'000	2021 $'000
Balance as at 1 January	(4,553)	(15,251)
Statement of comprehensive income (Note 11)	19,552	10,698
Balance as at 31 December	14,999	(4,553)

Deferred income tax liabilities are attributable to the following items:

	The Group	
	2022 $'000	2021 $'000
Property, plant and equipment	(5)	(3)
Foreign exchange	(420)	193
Lease receivable	32,803	13,396
	32,378	13,586

Deferred income tax assets are attributable to the following items:

	The Group	
	2022 $'000	2021 $'000
Property, plant and equipment	-	(1)
Tax losses	(17,379)	(18,138)
	(17,379)	(18,139)

23. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Property, plant and equipment	2	3	-	146
Lease receivable	(19,408)	(13,396)	-	-
Foreign exchange	612	605	-	-
Tax losses	(758)	2,090	-	-
	(19,552)	(10,698)	-	146

	The Group	
	2022	**2021**
	$'000	**$'000**
Deferred tax assets to be recovered after more than one year	-	-
Deferred tax assets to be recovered within one year	(17,379)	(18,139)
Deferred tax liabilities to be settled after more than one year	-	-
Deferred tax liabilities to be settled within one year	32,378	13,586

24. Related Party Transactions and Balances

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

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest income -				
Key management	1,005	1,395	-	390
Subsidiary	-	-	124,485	97,237
Affiliate	14,759	15,068	14,759	15,068
	15,764	16,463	139,244	112,695
Key management compensation -				
Directors' fees	400	360	400	360
Salaries and other short term benefits	84,337	67,770	84,337	67,770
Post- employment benefits	4,695	3,273	4,695	3,273
Management fees - income				
Subsidiaries	-	-	(9,400)	(13,567)
Affiliate	(1,570)	(850)	(850)	(850)
Management fees - expense	2,000	2,000	2,000	2,000
Rental and maintenance expense -				
Affiliate	5,784	6,627	5,784	6,627

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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	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Due to related parties -				
Subsidiaries	-	-	113,222	61,104
Affiliate	1,653	1,653	1,653	1,653
	1,653	1,653	114,875	62,757
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	-	65,433

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Due from subsidiaries:-				
(i) Loans receivable	-	-	974,126	1,088,099
(ii) Other receivables	-	-	-	1,336
	-	-	974,126	1,089,435
Due from affiliates:-				
(iii) Loans receivable (Note 16)				
Balance at the beginning of year	104,991	150,677	104,991	150,677
Loans issued	256,758	-	100,000	-
Interest earned	25,963	15,068	14,759	15,068
Repayments	(20,937)	(65,062)	(12,780)	(65,062)
Foreign exchange translation	(7,821)	4,308	(980)	4,308
Balance at end of year	358,954	104,991	205,990	104,991
(iv) Key management	11,236	10,133	1,187	1,090

Loans receivable from key management attract interest at an average rate of 9.5% and 12% (2021 – 9.5% and 12%) and are repayable within 12 months.

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25. Borrowings

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Composition of borrowings				
(a) Loans from affiliates (Note 24 (b))	500	500	500	500
(b) Short term loans from external lenders	600,244	614,251	600,244	614,251
(c) Long term loans from external lenders	3,510,914	3,514,785	2,623,149	2,627,346
	4,111,658	4,129,536	3,223,893	3,242,097
Less: Current portion				
Loans from affiliates	(500)	(500)	(500)	(500)
Loan from external lender	(612,043)	(624,196)	(608,208)	(620,351)
Unwinding of unamortised fees within 12 months	15,477	22,745	13,045	20,313
Non-current borrowings	3,514,592	3,527,585	2,628,230	2,641,559

(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. The maturity date was extended to June 2024 from September 2022 at an increased rate of 6.00% (2021: 4.95%) per annum.

25. Borrowings (Continued)

(c) Long term loans from external lenders

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Redeemable preference shares (i)	2,658,416	2,676,826	2,658,416	2,676,826
Long term notes (ii)	897,821	897,571	-	-
Less: Unamortised fees	(45,323)	(59,612)	(35,267)	(49,480)
	3,510,914	3,514,785	2,623,149	2,627,346

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

(1) 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;

(2) 4,712,800 USD preference shares issued in January 2018 and rolled in January 2021 to mature in December 2024 and attract interest at a rate of 6.00% per annum;

(3) 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;

(4) 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

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

(2) $961.4 million bank loan received in April 2017 and May 2021 with a maturity date of April 7, 2026, and $190.0 million bank loan received in September 2022 with a maturity date of September 8, 2027. All loans attract interest at 7.00% per annum

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26. Other Liabilities

	The Group		The Company	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Accruals	41,448	33,913	21,920	19,775
Due to clients	236,694	200,650	131,956	96,957
Other	88,265	54,944	78,577	50,824
	366,407	289,507	232,453	167,556

27. Share Capital

	2022 $'000	**2021 $'000**
Authorised -		
195,000,000 (2021 – 195,000,000) ordinary shares of no par		
Issued and fully paid -		
192,468,300 (2021 – 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, 2022, 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	
	2022 $'000	**2021 $'000**
First interim dividend, gross - $1.05 (2021 – $0.83) per ordinary stock units	202,093	159,748
Second interim dividend, gross - $0.052 (2021 – $0.0372) per ordinary stock units	10,008	7,160
Third interim dividend, gross - $0.052 (2021 – $0.0372) per ordinary stock units	10,008	7,160
Fourth interim dividend, gross - $0.052 (2021 – $0.0372) per ordinary stock units	10,008	7,160
	232,117	181,228

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31. Pension Scheme

Employees participate in a defined contribution pension scheme operated by a related company, T. Geddes Grant (Distributors) Limited. The scheme is open to all permanent employees, as well as the employees of certain related companies. The scheme is funded by employees' compulsory contribution of 5% of earnings and voluntary contributions up to a further 15%, as well as employer's contribution of 5% of employees' earnings. The scheme is valued triennially by independent actuaries. The results of the most recent actuarial valuation, as at 31 December 2021, indicated that the scheme was solvent and that the available assets exceeded the total liabilities resulting in a surplus at that date.

Pension contributions for the period totalled $3,734,103 (2021 – $3,236,002) and are included in staff costs (Note 10).

32. Reconciliation of Liabilities arising from Financial Activities

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

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At January 1	4,129,536	2,916,890	3,242,097	2,885,348
Loans received	193,852	2,626,138	-	1,664,739
Repayment- principal	(193,388)	(1,518,373)	-	(1,406,537)
Repayment- interest	(304,513)	(248,049)	(241,424)	(203,714)
Finance Charge Booked	3,007	-	463	-
Amortisation of finance charge	9,419	35,631	11,886	33,143
Foreign exchange adjustments	(26,647)	67,311	(26,449)	67,225
Interest expense	300,392	249,988	237,320	201,893
At 31 December	**4,111,658**	**4,129,536**	**3,223,893**	**3,242,097**

33. Subsequent Events

(a) The Group declared an ordinary dividend of $1.00 per stock unit to stockholders on record as at 15 March 2023, which is to be paid on 31 March 2023.

(b) In March 2023, the Group successfully closed a tender offer to acquire 24,335,503 cellular shares of Eppley Caribbean Property Fund Limited SCC- Development Fund (the "Development Fund"). The offer is pending confirmation by the Barbados Stock Exchange. On confirmation, the Group will own a 45.04% stake in the Development Fund. The Development Fund is listed on the Barbados Stock Exchange and the Trinidad and Tobago Stock Exchange and owns land and residential real estate in Barbados, St. Lucia and St. Vincent and the Grenadines. The Development Fund is managed by Eppley Fund Managers Limited.