



Audited
**Consolidated
Financial Statements**

31 December 2022

Report to Stockholders December 31, 2022

On behalf of the Board of Directors, we present the audited consolidated financial statements of PanJam Investment Limited (“PanJam”) for the year ended 31 December 2022.

Highlights

- Net profit attributable to shareholders of \$4.7 billion (2021: \$7.2 billion)
- Earnings per stock unit of \$4.46 (2021: \$6.78)
- Book value per stock unit of \$48.63 at 31 December 2021 (31 December 2021: \$48.83)

Income Statement

Net profit attributable to shareholders for the year ended 31 December 2022 amounted to \$4.7 billion, below the \$7.2 billion recorded in the prior year. Earnings per stock unit for the year were \$4.46 (2021: \$6.78). Last year’s results were heavily influenced by unrealized gains from our portfolio of Jamaican equities, which were largely reversed in 2022 in line with local and global asset prices.

Income from core operations decreased by 45.3 per cent. Investments generated primarily unrealized losses of \$758.8 million compared to income of \$2.1 billion in the prior year. Property income increased by 14.3 per cent over last year as a result of annual rental rate adjustments and revaluation gains.

Of note, we opened the ROK Hotel, Tapestry Collection by Hilton, on 19 July 2022, making hospitality a core part of PanJam’s operations. During 2022, the ROK Hotel contributed income of \$575.3 million, exceeding our initial expectations for its performance. As a new entrant in the market, the hotel’s ramp-up phase resulted in expenses of \$804.2 million; we expect normalized expenses to be lower.

Operating expenses amounted to \$2.5 billion (2021: \$1.9 billion), an increase of 32.6 per cent driven by inflationary pressure on wages and direct property costs, including utilities and maintenance. Additionally, PanJam incurred one-off professional fees related to its proposed amalgamation with Jamaica Producers Group Limited (“Jamaica Producers”).

Finance costs of \$1.0 billion (2021: \$914.4 million) increased by 12.1 per cent on higher average interest rates and a marginal increase in loan principal during the year.

PanJam Investment Limited

Associated Companies

PanJam's associated companies include our 30.2% investment in Sagicor Group Jamaica Limited ("Sagicor"). We also hold minority positions in a number of diverse private entities across the adventure tourism, business process outsourcing, hospitality, micro-lending and office rental sectors.

Our share of results of associated companies decreased by 9 per cent to \$5.0 billion primarily driven by our share of Sagicor's earnings, which declined by 5.8 per cent or \$307.8 million compared to 2021.

Effective 21 December 2022, PanJam sold its 33.3% stake in New Castle Company Limited ("New Castle"), resulting in a gain of \$1.4 billion. New Castle manufactures and distributes jerk sauces and seasonings, and other condiments under its brands Walkerswood, Busha Browne's and Jamaica Joe. Our investment in, and exit from, New Castle was consistent with PanJam's strategy to take meaningful equity positions in Jamaican companies with strong brands, foreign exchange earning potential and a global reach, and deliver superior returns to our shareholders.

Balance Sheet

Total assets at 31 December 2022 amounted to \$67.4 billion (2021: \$67.8 billion). Shareholders' equity increased to \$52.0 billion (2021: \$52.0 billion), which equates to a book value per stock unit of \$48.63 (2021: \$48.83).

Outlook

At an Extraordinary General Meeting of the company held on 22 December 2022, PanJam's shareholders gave approval for the proposed amalgamation of the material businesses of PanJam and Jamaica Producers. Jamaica Producers also held an Extraordinary General Meeting on the same date, at which the proposed amalgamation was approved by its shareholders.

These approvals made way for Jamaica Producers to transfer its operating businesses to JP Global Holdings Limited (a newly incorporated, wholly owned company), after which PanJam is to issue new ordinary shares to Jamaica Producers in exchange for all the shares in JP Global Holdings Limited. Jamaica Producers will take a 34.5% interest in PanJam. PanJam will host the combined group of businesses, which will be called Pan Jamaica Group Limited ("Pan Jamaica Group").

This transaction is expected to close by the end of the first quarter in 2023.

Together, PanJam and Jamaica Producers will be a true conglomerate with investments in agriculture, financial services, hospitality, logistics, real estate, shipping, specialty food and drink and tourist attractions located in the Caribbean, Central and North America and Europe.

PanJam Investment Limited

We expect Pan Jamaica Group to continue to enhance our almost 60-year history of producing strong results through economic peaks and troughs, unlocking value for all stakeholders, including you, our shareholders, for generations to come. We thank you for being a part of the future of Pan Jamaica Group.

We are extremely grateful for, and proud of, the PanJam and Jamaica Property teams, and appreciate the guidance provided by our Directors.



Stephen B. Facey
Executive Chairman



Joanna A. Banks
Chief Executive Officer



PanJam Investment Limited

**Financial Statements
31 December 2022**

PanJam Investment Limited

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Independent auditor's report

To the Members of PanJam Investment 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 PanJam Investment 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 income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2022;
- the company income statement for the year then ended;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, 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.

We determined the scope of our audit by first considering the internal organisation of the Group and identifying the components of the audit that have the most significant impact on the consolidated financial statements. The Group comprises thirty-one components representing subsidiaries and associated companies. Full scope audit procedures were performed on three components while audits of one or more financial statement line items were performed for fifteen components. For components not scoped as either a full scope audit or an audit of one or more financial statement line items, analytical procedures were performed on the financial information. The audit procedures covered 99.6% of total assets and 93% of total revenue of the Group and were all performed by PwC Jamaica.

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

Valuation of investment properties (Group)

Refer to notes 2 (j), 3 (v) and 18 to the financial statements for disclosures of related accounting policies, judgements and estimates.

Investment properties represented \$10,399 million or 15.4% of total assets for the Group as at the end of the reporting period. The determination of the fair value of investment properties requires significant judgement and, as such, was an area of focus for the audit.

Management, through an independent valuation expert, used three methods to value investment properties namely: direct capitalisation approach, comparable sales approach and discounted cash flow approach.

We focused in particular on the direct capitalisation approach and the discounted cash flow approach, being the methods used to value the majority of the properties. These approaches take into consideration a number of factors that require estimation and judgement, including:

- estimation of rental income;
- determination of a capitalisation factor;
- estimation of vacancy factor; and
- determination of the discount rate.

Changes in these assumptions may have a significant impact on the carrying value of investment properties.

Key audit matter

Our approach to addressing the matter, with the assistance of our property valuation expert, involved the following procedures, amongst others:

- Met with the property valuers engaged by management, updated our understanding of the valuation process and obtained information on significant developments within the industry.
- Assessed the competence and objectivity of the property valuers in order to determine whether they were appropriately qualified and whether there was any affiliation to the Group.
- Assessed the appropriateness of the valuation methodology used in order to evaluate whether it was suitable for determining market value in accordance with the financial reporting framework.
- Challenged the capitalisation and vacancy factors used by the property valuers by benchmarking the assumptions used to relevant market evidence which included performing comparisons to similar properties located in the same area. Agreed the inputs used in estimating the rental income by the property valuers to supporting documentation.
- Assessed the reasonableness of the discount rate.
- Developed a point estimate based on the information obtained from performing the above procedures.



Key audit matter

Key audit matter

Based on the procedures performed, management's valuations were found to be consistent with our point estimate.

Valuation of investments classified as fair value through profit or loss and classified as level 3 in the fair value hierarchy (Group and Company)

Refer to notes 2 (i), 3 (ii), 17 and 37 to the financial statements for disclosures of related accounting policies, judgements and estimates.

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. The lack of available observable market data resulted in greater estimation uncertainty and subjectivity which therefore led us to focus our attention on this area.

Investments for which observable market data was limited and were classified as level 3 investments totalled \$3,306 million (4.9% of total assets) for the Group and \$1,387 million (5.1% of total assets) for the Company as at the reporting date. These investments relate primarily to investments in three funds and a loan advanced to an associated company as follows:

- The first investment is a venture capital fund.
- For the second fund, the significant underlying asset is a property. The fair value of this asset was determined by management's expert using the discounted cash flow method. Management relied on the estimate of market value performed by the property valuer.

Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others:

- For the first fund, verified the ownership of the companies in which the fund had an investment and used historical data, including audited financial statements, to assess the reliability of the fund manager's estimate of fair value.
- For the second fund, assessed the valuation report submitted by management's expert. Further evaluated management's conclusion that the previously determined market value of the hotel continues to represent fair value at the reporting date which included reviewing the current year financial performance of the hotel.
- For the third fund, assessed the method used by management to determine fair value including whether it was appropriate based on the information available in the circumstances. Checked the inputs used in the valuation by agreeing the rental income and direct expenses to underlying supporting documents and assessed the capitalisation rate.
- Confirmed the net asset value and the number of units held in the funds with the fund managers.



Key audit matter

- Similar in set up to the second fund, the third fund's significant underlying asset is a property. Management performed a valuation of the property using the direct capitalisation method.
- The loan to the associated company is mandatorily convertible to ordinary shares of the associated company and it is this conversion feature that increases the level of estimation involved in determining the fair value of the loan. The key components used by management in determining the fair value of the loan is the estimation of EBITDA of the associated company and the probability of achieving this EBITDA.

Key audit matter

- For the loan to associated company, reviewed the loan agreement and obtained an understanding of the key terms. Reviewed the latest audited financial statements of the associated company and performed analytical procedures on the financial information used to determine EBITDA. Further obtained and evaluated management's analysis of the probability of achieving the determined EBITDA.
- Confirmed the loan amount with the associated company.

Based on the procedures performed, management's valuation of these level 3 investments was within an acceptable range of our estimation of fair value.

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 judgment and maintain professional skepticism 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.


Chartered Accountants
Kingston, Jamaica
1 March 2023

PanJam Investment Limited

Consolidated Income Statement

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Income			
Investments	5	(758,817)	2,059,131
Property	6	2,398,906	2,098,671
Hotel management	7	575,296	-
Other	8	135,536	140,595
		2,350,921	4,298,397
Operating expenses	9	(2,460,278)	(1,855,509)
Hotel management expenses	11	(804,247)	-
Net impairment (losses)/recovery on financial assets		(29,642)	53,602
Operating Profit		(943,246)	2,496,490
Finance costs	12	(1,025,204)	(914,415)
Share of results of associated companies	19	4,961,865	5,455,180
Gains on disposal of shares in associated companies	13	1,379,813	193,892
Profit before Taxation		4,373,228	7,231,147
Taxation	14	420,625	20,570
NET PROFIT		<u>4,793,853</u>	<u>7,251,717</u>
Attributable to:			
Owners of the parent		4,746,095	7,202,801
Non-controlling interests		47,758	48,916
		<u>4,793,853</u>	<u>7,251,717</u>
Earnings per stock unit attributable to owners of the parent during the year			
Basic and fully diluted	15	<u>\$4.46</u>	<u>\$6.78</u>

PanJam Investment Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	2022 \$'000	2021 \$'000
Net Profit for the year	<u>4,793,853</u>	<u>7,251,717</u>
Other Comprehensive Income, net of taxes		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity instruments at fair value through other comprehensive income	(49,002)	23,682
Re-measurement of post-employment benefit obligations, net of taxation	392,076	(26,933)
Share of other comprehensive income of associated company, net of taxation	<u>736,358</u>	<u>(56,908)</u>
	<u>1,079,432</u>	<u>(60,159)</u>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	(4,428)	11,416
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of taxation	(18,625)	(21,229)
Share of other comprehensive income of associated company, net of taxation	<u>(4,826,968)</u>	<u>(1,272,949)</u>
	<u>(4,850,021)</u>	<u>(1,282,762)</u>
TOTAL COMPREHENSIVE INCOME	<u><u>1,023,264</u></u>	<u><u>5,908,796</u></u>
Attributable to:		
Owners of the parent	975,506	5,859,880
Non-controlling interests	<u>47,758</u>	<u>48,916</u>
	<u><u>1,023,264</u></u>	<u><u>5,908,796</u></u>

PanJam Investment Limited

Consolidated Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
ASSETS			
Cash and Bank Balances	16	232,347	272,856
Investments			
Deposits	16	3,071,077	994,776
Investment securities:			
Financial assets at fair value through other comprehensive income	17	625,952	1,145,479
Financial assets at fair value through profit or loss	17	7,206,141	9,372,316
Financial assets at amortised cost	17	451,996	305,457
		8,284,089	10,823,252
Securities purchased under agreements to resell	16	432,724	1,269,367
Investment properties	18	10,398,827	10,024,752
Investment in associated companies	19	36,127,459	37,995,085
		<u>58,314,176</u>	<u>61,107,232</u>
Other assets			
Taxation recoverable		167,428	86,863
Deferred tax assets	20	59,823	-
Prepayments and miscellaneous assets	21	1,663,644	1,841,415
Property, plant and equipment	22	5,329,958	3,446,578
Properties for development and sale	23	1,588,234	967,119
Intangibles	24	62,341	52,471
		<u>8,871,428</u>	<u>6,394,446</u>
		<u>67,417,951</u>	<u>67,774,534</u>

PanJam Investment Limited

Consolidated Statement of Financial Position (Continued)


31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to Owners of the Parent			
Share capital	30	2,141,985	2,141,985
Equity compensation reserve	31	136,438	124,734
Property revaluation reserve	32	5,866,583	5,438,654
Investment and other reserves	33	(570,193)	4,383,503
Retained earnings		44,299,897	40,009,447
Treasury stock		(103,143)	(135,900)
		51,771,567	51,962,423
Non-Controlling Interests		383,349	335,591
		52,154,916	52,298,014
Liabilities			
Bank overdrafts	16	20,665	14,986
Taxation payable		-	46,077
Loan liabilities	27	13,953,132	13,594,422
Lease liabilities	28	49,873	28,424
Deferred tax liabilities	20	-	255,934
Retirement benefit liabilities	25	234,161	654,518
Other liabilities	29	1,005,204	882,159
		15,263,035	15,476,520
		67,417,951	67,774,534

Approved for issue by the Board of Directors on 27 February 2023 and signed on its behalf by:


Stephen B. Facey Chairman


Joanna A. Banks Director

PanJam Investment Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

		\-----Attributable to Owners of the Parent-----\							
Note	Share Capital \$'000	Equity Compensation Reserve \$'000	Property Revaluation Reserve \$'000	Investment and Other Reserves \$'000	Retained Earnings \$'000	Treasury Stock \$'000	Non- Controlling Interests \$'000	Total \$'000	
	Balance at 1 January 2021	2,141,985	116,594	5,211,785	5,395,698	34,692,918	(372,609)	286,675	47,473,046
	Comprehensive income					7,202,801		48,916	7,251,717
	Net profit								
	Other comprehensive income	-	-	-	(746,752)	(596,169)	-	-	(1,342,921)
	Total comprehensive income for the year	-	-	-	(746,752)	6,606,632	-	48,916	5,908,796
	Transactions with owners								
	Employee share incentive scheme value of services provided	-	54,660	-	-	-	-	-	54,660
	Employee share grants issued/options exercised	-	(46,520)	-	(187,120)	-	286,887	-	53,247
	Dividends paid to equity holders of the company	-	-	-	-	(1,063,234)	-	-	(1,063,234)
	Share purchase plan	-	-	-	(11,315)	-	31,056	-	19,741
	Acquisition of treasury stock	-	-	-	-	(81,234)	-	-	(81,234)
	Change in reserves of associated company	-	-	-	(67,008)	-	-	-	(67,008)
	Total transactions with owners	-	8,140	-	(265,443)	(1,063,234)	236,709	-	(1,083,828)
	Transfer of unrealized property revaluation gains	-	-	226,869	-	(226,869)	-	-	-
	Balance at 31 December 2021	2,141,985	124,734	5,438,654	4,383,503	40,009,447	(135,900)	335,591	52,298,014

PanJam Investment Limited

Consolidated Statement of Changes in Equity (Continued)

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

		-----Attributable to Owners of the Parent-----\							
	Note	Share Capital \$'000	Equity Compensation Reserve \$'000	Property Revaluation Reserve \$'000	Investment and Other Reserves \$'000	Retained Earnings \$'000	Treasury Stock \$'000	Non- controlling Interests \$'000	Total \$'000
Balance at 1 January 2022		2,141,985	124,734	5,438,654	4,383,503	40,009,447	(135,900)	335,591	52,298,014
Comprehensive income									
Net profit		-	-	-	-	4,746,095	-	47,758	4,793,853
Other comprehensive income		-	-	-	(4,934,857)	1,164,268	-	-	(3,770,589)
Total comprehensive income for the year		-	-	-	(493,487)	5,910,363	-	47,758	1,023,264
Transactions with owners									
Employee share incentive scheme value of services provided	31	-	34,136	-	-	-	-	-	34,136
Employee share grants issued/options exercised	31	-	(22,432)	-	(18,237)	-	65,593	-	24,924
Dividends paid to equity holders of the company	34	-	-	-	-	(1,191,984)	-	-	(1,191,984)
Share purchase plan		-	-	-	(602)	-	45,610	-	45,008
Acquisition of treasury stock		-	-	-	-	-	(78,446)	-	(78,446)
Change in reserves of associated company		-	-	-	-	-	-	-	-
Total transactions with owners		-	11,704	-	(18,839)	(1,191,984)	32,757	-	(1,166,362)
Transfer of unrealized property revaluation gains		-	-	427,929	-	(427,929)	-	-	-
Balance at 31 December 2022		2,141,985	136,438	5,866,583	(570,193)	44,299,897	(103,143)	383,349	52,154,916

PanJam Investment 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	35	<u>1,560,970</u>	<u>1,138,263</u>
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	22	(1,577,255)	(2,214,917)
Proceeds from disposal of property, plant and equipment		569	2,798
Expenditure on properties for development and sale	23	(621,115)	(454,922)
Acquisition of intangible asset	24	-	(5,435)
Improvements to investment properties	18	(6,383)	-
Proceeds from disposal of shares in associated companies	13	2,266,864	266,491
Investments in associated companies	19	(73,851)	(178,735)
Dividends from associated companies	19	1,925,681	1,374,390
(Acquisition)/disposal of investment securities, net		(322,182)	2,653,190
Advances on future developments		<u>(7,010)</u>	<u>(16,705)</u>
Net cash provided by investing activities		<u>1,585,318</u>	<u>1,426,155</u>
Cash Flows from Financing Activities			
Loans received		3,428,132	-
Loans repaid	35b	(3,096,886)	(99,130)
Interest paid	35b	(997,740)	(884,393)
Principal elements of lease payments		(4,056)	(6,555)
Acquisition of treasury stock		(78,446)	(81,234)
Disposal of treasury stock		69,932	72,988
Dividends paid to equity holders		<u>(1,495,275)</u>	<u>(759,942)</u>
Net cash used in financing activities		<u>(2,174,339)</u>	<u>(1,758,266)</u>
Net increase in cash and cash equivalents		971,949	806,152
Effect of exchange rate changes on cash and cash equivalents		(40,773)	116,952
Cash and cash equivalents at beginning of year		<u>2,503,301</u>	<u>1,580,197</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	<u><u>3,434,477</u></u>	<u><u>2,503,301</u></u>

PanJam Investment Limited

Company Income Statement

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
Income			
Investments	5	1,916,657	3,017,185
Other	8	60,374	56,333
		<u>1,977,031</u>	<u>3,073,518</u>
Expenses			
Operating expenses	9	(700,751)	(418,583)
Net impairment (losses)/recovery on financial assets		(7,305)	42,421
Finance costs	12	(975,849)	(862,819)
Gain on disposal of shares in associated company	13	1,956,558	29,685
		<u>2,249,684</u>	<u>1,864,222</u>
Profit before Taxation			
Taxation	14	246,504	47,574
NET PROFIT		<u><u>2,496,188</u></u>	<u><u>1,911,796</u></u>

PanJam Investment Limited

Company Statement of Comprehensive Income

Year ended 31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	2022 \$'000	2021 \$'000
Net Profit for the year	<u>2,496,188</u>	<u>1,911,796</u>
Other Comprehensive Income		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	(49,002)	23,682
Re-measurement of post-employment benefit obligations, net of taxation	<u>(81,154)</u>	<u>32,546</u>
	(130,156)	56,228
<i>Items that may be subsequently reclassified to profit or loss</i>		
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of taxation	<u>(13,833)</u>	<u>(15,357)</u>
	(13,833)	(15,357)
TOTAL COMPREHENSIVE INCOME	<u><u>2,352,199</u></u>	<u><u>1,952,667</u></u>

PanJam Investment Limited

Company Statement of Financial Position

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
ASSETS			
Cash and Bank Balances	16	61,616	118,802
Investments			
Deposits	16	2,555,487	844,983
Investment securities:			
Financial assets at fair value through other comprehensive income	17	579,447	1,084,723
Financial assets at fair value through profit or loss	17	4,777,337	6,541,815
Financial assets at amortised cost	17	796,710	652,022
		6,153,494	8,278,560
Securities purchased under agreements to resell	16	296,919	1,144,459
Investment in subsidiaries	19	1,128,119	1,128,119
Investment in associated companies	19	7,364,184	7,600,639
		<u>17,498,203</u>	<u>18,996,760</u>
Other Assets			
Due from related parties	26	8,807,344	6,206,125
Taxation recoverable		88,405	80,173
Deferred tax asset	20	136,070	-
Prepayments and miscellaneous assets	21	164,869	152,496
Property, plant and equipment	22	109,470	89,533
Intangibles	24	-	3,434
Retirement benefit assets	25	115,559	240,780
		<u>9,421,717</u>	<u>6,772,541</u>
		<u>26,981,536</u>	<u>25,888,103</u>

PanJam Investment Limited

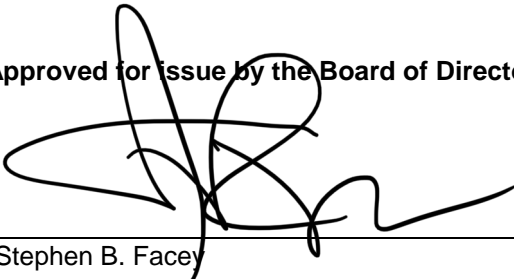
Company Statement of Financial Position (Continued)

31 December 2022


(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 \$'000	2021 \$'000
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	30	2,141,985	2,141,985
Equity compensation reserve	31	58,439	56,698
Investment and other reserves	33	1,174,930	1,237,765
Retained earnings		9,807,855	8,586,920
		13,183,209	12,023,368
Liabilities			
Bank overdraft	16	20,665	14,985
Due to related parties	26	74,696	59,116
Loan liabilities	27	13,432,234	13,005,731
Lease liabilities	28	74,295	56,647
Deferred tax liability	20	-	145,101
Retirement benefit liabilities	25	43,160	60,736
Other liabilities	29	153,277	522,419
		13,798,327	13,864,735
		26,981,536	25,888,103

Approved for issue by the Board of Directors on 27 February 2023 signed on its behalf by:



 Stephen B. Facey Chairman



 Joanna A. Banks Director

PanJam Investment Limited
 Company Statement of Changes in Equity
 Year ended 31 December 2022
 (expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital \$'000	Equity Compensation Reserve \$'000	Investment and Other Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2021		2,141,985	49,752	1,229,440	7,708,738	11,129,915
Comprehensive income						
Net Profit		-	-	-	1,911,796	1,911,796
Other comprehensive income:		-	-	8,325	32,546	40,871
Total comprehensive income		-	-	8,325	1,944,342	1,952,667
Transactions with owners						
Employee share incentive scheme value of services provided	31	-	34,285	-	-	34,285
Employee share grants issued/options exercised	31	-	(27,339)	-	-	(27,339)
Dividends paid	34	-	-	-	(1,066,160)	(1,066,160)
Total transactions with owners		-	6,946	-	(1,066,160)	(1,059,214)
Balance at 1 January 2022		2,141,985	56,698	1,237,765	8,586,920	12,023,368
Comprehensive income						
Net profit		-	-	-	2,496,188	2,496,188
Other comprehensive income:		-	-	(62,835)	(81,154)	(143,989)
Total comprehensive income		-	-	(62,835)	2,415,034	2,352,199
Transactions with owners						
Employee share incentive scheme value of services provided	31	-	14,866	-	-	14,866
Employee share grants issued/option exercised	31	-	(13,125)	-	-	(13,125)
Dividends paid	34	-	-	-	(1,194,099)	(1,194,099)
Total transactions with owners		-	1,741	-	(1,194,099)	(1,192,358)
Balance at 31 December 2022		2,141,985	58,439	1,174,930	9,807,855	13,183,209

PanJam Investment 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	35	<u>2,510,825</u>	<u>2,448,666</u>
Cash Flows from Investing Activities			
Investment in associated companies	19	(73,851)	-
Acquisition of property, plant and equipment	22	(1,769)	(10,193)
Proceeds on disposal of PP&E		691	-
Proceeds from disposal of shares in associated company	13	2,266,864	30,663
Disposal of investment securities, net		<u>774,054</u>	<u>2,747,934</u>
Net cash provided by investing activities		<u>2,965,989</u>	<u>2,768,404</u>
Cash Flows from Financing Activities			
Increase in amount due from related parties		(2,585,639)	(2,743,275)
Loans received		3,428,132	-
Loans repaid	35b	(3,029,000)	(32,527)
Interest paid	35b	(945,934)	(831,056)
Principal elements of lease payments		(10,284)	(9,410)
Dividends paid to shareholders	34	<u>(1,497,955)</u>	<u>(762,303)</u>
Net cash used in financing activities		<u>(4,640,680)</u>	<u>(4,378,571)</u>
Net increase cash and cash equivalents		836,134	838,499
Effect of exchange rate changes on cash and cash equivalents		(30,744)	78,807
Cash and cash equivalents at beginning of year		<u>2,080,461</u>	<u>1,163,155</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	<u><u>2,885,851</u></u>	<u><u>2,080,461</u></u>

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

- (a) PanJam Investment Limited (“the company”) is incorporated and domiciled in Jamaica and is listed on the Jamaica Stock Exchange (JSE).
- (b) The main activities of the company are holding investments and controlling the operations of its subsidiaries. The company’s income consists mainly of dividends, interest income and management fees earned from its subsidiaries. The registered office of the company is located at 60 Knutsford Boulevard, Kingston 5.
- (c) The company’s subsidiaries, associated companies, and other consolidated entity, which, together with the company are referred to as “the group” are as follows:

Subsidiaries	Principal Activities	Proportion of Issued Equity Capital Held by	
		Company	Subsidiaries
Jamaica Property Company Limited	Property Management and Development	100%	-
Jamaica Property Development Limited	Property Development	-	100%
Jamaica Property Management Limited	Property Management	-	100%
Imbrook Properties Limited	Property Development	-	100%
Desnoes Estates Limited	Property Development	-	100%
Kingchurch Property Holdings Limited	Property Development and Management	-	100%
Downing Street (Caribbean Place) Limited	Property Development	-	100%
Portfolio Partners Limited	Investment Management	100%	-
Baywest Development Limited	Property Development	100%	-
Scott’s Preserves Limited	Food and Beverage	66.67%	-
PanJam Hospitality Limited	Hotel Management	100%	-
ROK Operating Company Limited	Hotel Management	-	100%
Knutsford Holdings Limited	Office Rental	32%	28%
Panacea Insurance Limited (Incorporated in St. Lucia)	Captive Insurance	-	100%
Castleton Investments Limited (Incorporated in St Lucia)	Investment Management	100%	-
Norbury Investments Limited (Incorporated in Canada)	Property Investment	-	100%
PJ-AL Corp Limited (Incorporated in United States)	Property Investment	100%	-
Palisadoes Investments Limited (Incorporated in Canada)	Investment Management	-	100%
Simcoe Investments Limited (Incorporated in Barbados)	Investment Management	100%	-

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(c) (continued)

	<u>Principal Activities</u>	<u>Proportion of Issued Equity Capital Held by</u>	
		<u>Company</u>	<u>Subsidiaries</u>
Associated Companies			
Sagicor Group Jamaica Limited	Life and Health Insurance, Pension Management, Investment and Banking	30.21%	-
Chukka Caribbean Adventures Limited (Incorporated in St. Lucia)	Tourism	18%	-
Caribe Hospitality Jamaica Limited	Hotel Management	35%	-
Downing Street Realty Fund VII (Incorporated in Canada)	Property Developers	-	28.97%
Downing Street Realty Fund XI (Incorporated in Canada)	Property Developers	-	20.87%
Downing Street Realty Fund XIV (Incorporated in Canada)	Property Developers	-	30.77%
Downing Street Realty Fund XV (Incorporated in Canada)	Property Developers	-	6.67%
Williams Offices (Caribbean) Limited (Incorporated in Barbados)	Office Rental	25%	-
Term Finance Jamaica Limited	Loan Financing	20%	-
Outsourcing Management Limited (Incorporated in St. Lucia)	Business Process Outsourcing	15%	-
International CX Limited (Incorporated in St. Lucia)	Business Process Outsourcing	15%	-
PAUW Developers Inc. (Incorporated in Guyana)	Property Developers	25%	-
Other Consolidated Entity			
The PanJam Share Trust	Employees Share Ownership Plan	100%	-

In December 2022, the group disposed of its shareholding in New Castle Company Limited.

All of the company's subsidiaries and associated companies are incorporated and domiciled in Jamaica, except as otherwise indicated.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies

The principal accounting policies applied 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

The consolidated financial statements of the group and the financial statements of the company standing alone (together referred to as the financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

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 accounting standards effective in the current financial year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16 (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The adoption of the amendments did not have any significant impact on the group and company.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37 (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The adoption of the amendments did not have any significant impact on the group and company.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022). The following improvements are considered applicable to the group and company:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

The adoption of the amendments did not have any significant impact on the group and company.

Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions extension of the practical expedient (effective for annual periods beginning on or after 1 April 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The adoption of the amendments did not have any significant impact on the group and company.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the group’s accounting periods beginning on or after 1 January 2022 or later periods but were not effective at the statement of financial position date. The group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities (effective for annual periods beginning on or after 1 January 2023). The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The adoption of the amendments is not expected to have any material impact on the financial statements of the group and company.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. The adoption of the amendments is not expected to have any material impact on the financial statements of the group and company.

Narrow scope amendments to IAS 1, Presentation of financial statements', Practice statement 2 and IAS 8 (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of the amendments is not expected to have any material impact on the financial statements of the group and company.

Amendments to IAS 8, Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. This amendment is expected to be applicable due to the implementation of IFRS 17.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRS 17, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2023). IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.

Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRS 17, 'Insurance contracts' (continued)

Implementation assessment

The group continues to assess the overall impact of IFRS 17, which is expected to be significant, on the timing of earnings recognition, as well as presentation and disclosure, of its insurance and reinsurance contracts. The Group is expecting that measurement changes will result in a reduction to opening equity upon transition to IFRS 17 at January 1, 2022. The impact on the timing of earnings recognition or presentation and disclosure does not impact the cash flows generated by the Group; as a result, IFRS 17 is not expected to have a material impact on the group's business strategies.

We continue to evaluate the effect of the standard on the group's consolidated financial statements and the refinement of the new accounting policies, assumptions, judgements and estimation techniques employed. These areas remain subject to change and may be revised as further analysis is completed prior to presentation of financial information for periods including the date of initial application.

The preparation of comparative period financial information under the requirements of IFRS 17 for the year ended December 31, 2022 is in progress.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

In the company stand-alone financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(iii) Associates

Associates are all entities over which the group has significant influence but not control, generally but not necessarily accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. In the company's statement of financial position, investments in associates are shown at cost.

The results of associates with financial reporting year-ends that are different from the group are determined by prorating the results for the audited period as well as the period covered by management accounts (in the event that their accounting year ends more than three months prior to 31 December) to ensure that a full year of operations is accounted for, where applicable.

(c) Income recognition

(i) Interest income and expenses

Interest income on financial assets at amortised cost, fixed income securities at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) is recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount or premium on treasury bills and other discounted instruments.

(ii) Dividend income

Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognized in the income statement when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(c) Income recognition (continued)

(iii) Property income

Revenue comprises the invoiced value of rental and maintenance charges net of General Consumption Tax. Rental income from operating leases is recognised on a straight-line basis over the lease term. The Group currently does not provide incentives to its tenants.

The group assesses the individual elements of the lease agreements and assesses whether these individual elements are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price is allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. These selling prices are predominantly fixed price per the agreements where the tenant pays the fixed amount based on a payment schedule. If the services rendered should exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. The group currently does not have arrangements that include deferred payment terms.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(iv) Commission income

Commissions are recognised as revenue on the transfer of the service at a point in time and recognized in the accounting period in which the service is transferred. There was no contract asset or contract liability recognised in the accounting period.

(v) Other income

Other income comprises of management fees and miscellaneous income. Management fees are contractual agreements with customers for the transfer of service at a point in time and are recognized in the accounting period in which the service is transferred. Management fee is calculated as a percentage of the total expenses and value of the portfolio where applicable. There was no contract asset or contract liability recognised during the accounting period (see note 8 for details).

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is also the company'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 income statement.

Changes in the fair value of monetary assets denominated in foreign currencies and classified at amortised cost are analysed between translation differences resulting from changes in the amortised cost of the asset and other changes. Translation differences resulting from the changes in amortised cost are recognised in the income statement, and other changes are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(e) Taxation

Taxation expense in the income statement comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in the income statement except where they relate to items recorded in other comprehensive income or equity, in which case they are also charged or credited to other comprehensive income or equity. Taxation is based on profit for the year adjusted for taxation purposes at rates applicable to the year.

(i) Current taxation

Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, 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 is provided on temporary differences arising from investments in subsidiaries, except where the timing of reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. 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 rates enacted at the year-end date.

Deferred tax is not recognised on changes in the fair values of investment properties in excess of cost, as it is management's intention to recover such surplus through sale, which would not attract any taxes.

Deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

(f) Financial instruments

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

Financial assets

The group's financial assets comprise cash and bank balances, deposits, securities purchased under agreements to resell, investment securities, and accounts receivable including balances due from related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial liabilities

The group's financial liabilities comprise bank overdraft, trade payables, loans, lease liabilities and other liabilities. They are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

The fair values of the group's and the company's financial instruments are discussed in Note 35.

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(g) Accounts receivable

Trade and managed properties receivables

Trade receivables are amounts due from tenants and customers for rent and maintenance during the accounting period. Managed properties receivables are due from customers for expenses incurred during the accounting period for the management of properties owned by these customers. Trade and managed properties receivables are generally due for settlement within 30 days and therefore are all classified as current. 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 and managed properties receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the trade and managed properties receivables, their carrying amount is considered to be the same as their fair value. The group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 34(b) for further details.

Other miscellaneous assets

The group classifies other miscellaneous assets at amortised cost when both of the following criteria are met:

- the asset is held within a business model where the objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Due to the short-term nature of the other miscellaneous assets excluding land awaiting development, their carrying amount is considered to be the same as their fair value. Land awaiting development at year end was \$752,927,000 (2021 – \$745,917,000) representing purchase consideration and associated costs capitalised.

(h) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost and adjusted for any potential credit loss. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition including cash balances, short term deposits, securities purchased under agreements to resell and bank overdrafts (Note 16).

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(i) Investments

(i) Classification

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

- At fair value (either through OCI or through profit or loss); and
- At amortised cost.

The classification is based on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or OCI.

The group will reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

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 the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset not at FVPL. Transaction costs that are directly attributable to the acquisition of the financial asset carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments is based on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- 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 investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains/ (losses). Impairment losses are presented as a separate line item in profit or loss

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(i) Investments (continued)

(iii) Measurement (continued)

- FVOCI – Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in investment income. Interest income from these financial assets is included in investment income using the effective interest rate method. Foreign exchange gains and losses are also presented in investment income and impairment expenses are presented as a separate line item in the statement of profit or loss.
- FVPL - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. Gains or losses on a debt investment that is subsequently measured at FVPL are recognised in profit or loss and presented net within investment income in the period in which they arise.

Equity instruments

The group measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in investment income in the profit or loss statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost (including cash and cash equivalents but excluding bank balances) and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

PanJam Investment Limited

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2. Significant Accounting Policies (Continued)

(j) Investment property

Investment property is held for long-term rental yields and is not occupied by the group. Investment property is treated as a long-term investment and is carried at fair value, based on fair market valuation exercises conducted annually by independent qualified valuers. Changes in fair values are recorded in the income statement.

All leases that meet the definition of investment property are classified as investment property and measured at fair value. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods, such as recent prices on less active markets, discounted cash flow projections or the sales approach. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

PanJam Investment Limited

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(k) Leases

The group acting as lessee, recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months.

Assets and liabilities arising from the 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 the fixed payments), less any lease incentives receivable
- Variable lease payments that are based on the index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily 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 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:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third-party financing; and
- makes adjustments specific to the lease, example term, currency and security.

The group is exposed to potential future increase in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments are based on an index or rate effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and 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:

- 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 (as applicable).

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(k) Leases (continued)

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 and where the group is reasonably certain to exercise the purchase option, the right-of-use asset is depreciated over the underlying asset useful life. Right of use assets are not revalued.

Payments associated with short-term leases of equipment and all leases of low value are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Variable lease payments

Some leases contain variable payment terms that are linked to rental income generated from property. These variable payments are recognised in the income statement in the period in which the condition that triggers those payments occurs.

Extension and termination options

Where extension and termination options are included, these are used to maximise the operational flexibility in terms of managing assets used in the group's operations. The options held are exercisable only by the group and not by the respective lessor.

Residual value guarantees

The group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of a lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the group does not expect to pay anything under the guarantees.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(l) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. If such subsequent cost relates to a replaced part, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives at annual rates, as follows:

Freehold premises/leasehold premises	2½%
Leasehold improvements	Life of lease
Furniture, fixtures & equipment	5% - 33⅓%
Assets capitalised under lease liabilities	Life of lease
Motor vehicles	15% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

(m) Properties for development and sale

Properties under construction that are intended for sale are classified as properties for development and sale. The properties are carried at the lower of cost and net realizable values. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated selling expenses. Impairment losses on properties for development and sale and profit on the sale of the properties are recognized in the income statement.

Revenue is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(n) Inventories

Inventories are valued on the first-in, first-out basis at the lower of cost and net realisable value.

(o) Employee benefits

(i) Pension obligations

The company and its subsidiaries operate a number of defined benefit pension plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the relevant companies, taking into account the recommendations of independent qualified actuaries. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

PanJam Investment Limited

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(o) Employee benefits (continued)

(i) Pension obligations (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in expenses.

(ii) Other post-employment benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave entitlements

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 statement of financial position date.

(iv) Equity compensation benefits

The group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the company which is the primary recipient of the employee's services. The total amount expensed over the vesting period is determined by reference to the fair value of the options or shares granted, excluding the impact of any non-market vesting conditions (for example, net profit growth target). Non-market vesting conditions are included in assumptions about the number of options or shares that are expected to become exercisable. At each statement of financial position date, the group reviews its estimates of the number of options or shares that are expected to become exercisable or share grants which will be vested. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised or share grants are vested.

The cost of equity transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(o) Employee benefits (continued)

(iv) Equity compensation benefits (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

(v) 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 group recognises termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

(p) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(q) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

At each statement of financial position date analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

(ii) Computer software

Costs incurred to acquire computer software licences are recognised as intangible assets. These costs are being amortised using the straight-line method over their expected useful life of three years. All other costs associated with maintaining computer programs are recognized as an expense when incurred.

(ii) Franchise

Cost incurred for the right to use the Hilton brand "Tapestry Collection by Hilton" for the hotel. These costs are being amortised using the straight-line method over the right of use which expires July 2030. All other fees charged by the Hilton are recognized as an expense when incurred.

PanJam Investment Limited

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(r) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(s) Dividends

Dividends are recorded as a deduction from stockholders' equity in the period in which they are approved.

(t) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive committee that makes strategic decisions is deemed to be the chief operating decision-maker.

PanJam Investment Limited

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3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

(i) Income taxes

The group is subject to income taxes mainly in Jamaica. Significant judgement is required in determining the provision for income taxes. 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.

(ii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgement to select a variety of methods and valuation inputs and makes assumptions that are mainly based on market conditions existing at each statement of financial position date. The group uses references to prices for other instruments that are substantially the same for various financial assets that were not traded in active markets. Details of investment securities valued using other than quoted prices in an active market are provided in Note 34 of the financial statements.

(iii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring the ECL is further detailed in Note 34 which also sets out key sensitivities of the ECL to changes in these elements.

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

- Determining criteria for assessing whether a significant increase in credit risk has occurred;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar assets for the purposes of measuring ECL.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(iv) Pension plan assets and post-employment obligations

The cost of pension and other post-retirement benefits and the present value of these liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost or income for pension and post-employment benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost or income recorded for pension and post-employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The group determines the appropriate interest rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-employment benefit obligations. In determining the appropriate discount rate, the group considers the interest rates of Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. The expected rate of increase of medical costs has been determined by comparing the historical relationship of the actual medical cost increases with the rate of inflation in the local economy. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on current market conditions. A change in any of the assumptions used could have a significant impact on the value of the related retirement benefit asset or liability.

(v) Investment properties

Investment properties are carried in the statement of financial position at market value. The group uses independent qualified property appraisers to value its investment properties annually, generally using the direct capitalisation approach and the discounted cash flow approach. The direct capitalisation approach takes into consideration various assumptions and factors including; the level of current and future occupancy, rent rates, a capitalisation rate, and the current condition of the properties while the discounted cash flow approach utilizes a discount rate. A change in any of these assumptions and factors could have a significant impact on the valuation of investment properties.

(vi) Value for intangible assets ascribed to investment in associated companies

As required by IFRS, acquisitions of shareholdings in associated companies require the allocation of the purchase price to determine the fair value of the group's share of the net identifiable assets acquired. The determination of these fair values requires the use of various estimates, inclusive of earnings multiples, growth rates and discount factors. It also requires the use of judgement in determining the valuation technique which best suits the particular asset being valued. Should these estimate or valuation methods change, there could be a material change to the carrying value for investment in associated companies.

PanJam Investment Limited

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4. Segmental Financial Information

The group is organised into three main business segments:

- Investments – This incorporates investment management and securities trading;
- Property management and rental – This incorporates the rental and management of commercial real estate.
- Hotel management – This incorporates the operation and management of a hotel
- Other services – This incorporates captive insurance and other companies.

The operating segments have been determined by management based on the reports reviewed by the executive committee and which are used to make strategic and operational decisions. The property management and investments segments derive their income principally from rental and property management fees, and interest and dividend income respectively. The group's customers are mainly resident in Jamaica.

	2022					
	Property Management & Rental	Investments	Hotel Management	Other Services	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External operating revenue	2,485,610	(774,220)	575,296	64,235	-	2,350,921
Inter-group revenue	121,468	504,787	645	-	(626,900)	-
Total revenue	2,607,078	(269,433)	575,941	64,235	(626,900)	2,350,921
Operating profit/(loss)	696,017	(1,436,517)	(228,871)	26,125	-	(943,246)
Finance costs	(443,397)	(973,416)	-	-	391,609	(1,025,204)
	252,620	(2,409,933)	(228,871)	26,125	391,609	(1,968,450)
Gains on disposal of shares in associated companies	-	1,379,813	-	-	-	1,379,813
Share of results of associated and joint companies	-	4,961,865	-	-	-	4,961,865
Profit before taxation	252,620	3,931,745	(228,871)	26,125	391,609	4,373,228
Taxation	167,465	252,897	-	263	-	420,625
Net profit	420,085	4,184,642	(228,871)	26,388	391,609	4,793,853
Segment assets	19,460,906	19,196,393	219,592	213,804	(7,800,203)	31,290,492
Investment in associated companies	-	36,127,459	-	-	-	36,127,459
Total assets	19,460,906	55,323,852	219,592	213,804	(7,800,203)	67,417,951
Segment liabilities	8,906,079	13,637,155	466,111	53,893	(7,800,203)	15,263,035
Other segment items:						
Capital expenditure	1,952,262	1,769	29,697	-	-	1,983,728
Depreciation	78,383	7,337	2,461	-	-	88,181

PanJam Investment Limited

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4. Segmental Financial Information (Continued)

	2021				
	Property Management & Rental	Investments	Other Services	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
External operating revenue	2,198,457	2,039,458	60,482	-	4,298,397
Inter-group revenue	38,997	360,415	-	(399,412)	-
Total revenue	<u>2,237,454</u>	<u>2,399,873</u>	<u>60,482</u>	<u>(399,412)</u>	<u>4,298,397</u>
Operating profit/(loss)	806,784	1,699,451	(9,745)	-	2,496,490
Finance costs	(278,619)	(861,078)	-	225,282	(914,415)
	528,165	838,373	(9,745)	225,282	1,582,075
Gains on disposal of shares in associated companies	-	193,892	-	-	193,892
Share of results of associated and joint companies	-	5,455,180	-	-	5,455,180
Profit before taxation	528,165	6,487,445	(9,745)	225,282	7,231,147
Taxation	4,329	16,895	(654)	-	20,570
Net profit	<u>532,494</u>	<u>6,504,340</u>	<u>(10,399)</u>	<u>225,282</u>	<u>7,251,717</u>
Segment assets	15,754,424	18,100,591	667,707	(4,743,273)	29,779,449
Investment in associated companies	-	37,995,085	-	-	37,995,085
Total assets	<u>15,754,424</u>	<u>56,095,676</u>	<u>667,707</u>	<u>(4,743,273)</u>	<u>67,774,534</u>
Segment liabilities	<u>6,052,297</u>	<u>13,572,180</u>	<u>595,316</u>	<u>(4,743,273)</u>	<u>15,476,520</u>
Other segment items:					
Capital expenditure	2,106,055	10,194	98,668	-	2,214,917
Depreciation	29,707	7,057	-	-	36,764

PanJam Investment Limited

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5. Investment Income

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income				
Interest income -				
Financial assets at fair value through profit or loss	58,100	38,868	58,100	38,868
Fair value through other comprehensive income	34,310	53,773	30,478	49,310
Amortised cost	20,029	97,129	590,977	459,209
Securities purchased under agreement to resell and deposits	56,832	53,892	48,839	49,682
Realised (losses)/gains on disposal of investments,	(41,570)	132,281	(66,749)	70,153
Fair value (losses)gains on financial assets				
at fair value through profit or loss	(876,963)	1,390,841	(631,387)	604,339
Foreign exchange (losses)/gains	(75,916)	196,276	(102,793)	279,290
Dividends	80,308	107,425	1,997,102	1,473,630
Other	474	698	439	408
	<u>(744,396)</u>	<u>2,071,183</u>	<u>1,925,006</u>	<u>3,024,889</u>
Direct expenses				
Investment expense	(14,421)	(12,052)	(8,349)	(7,704)
	<u>(758,817)</u>	<u>2,059,131</u>	<u>1,916,657</u>	<u>3,017,185</u>

6. Property Income

	The Group	
	2022 \$'000	2021 \$'000
Rental income (Note 18)	1,935,722	1,844,227
Fair value gains on property valuation (Note18)	463,184	254,444
	<u>2,398,906</u>	<u>2,098,671</u>

7. Hotel Management Income

	The Group	
	2022 \$'000	2021 \$'000
Rooms	259,147	-
Food and beverage	187,716	-
Other	128,433	-
	<u>575,296</u>	<u>-</u>

PanJam Investment Limited

Notes to the Financial Statements

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8. Other Income

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Management fees	58,403	68,453	53,971	54,613
Insurance recovery	1,373	2,450	1,373	-
Reinsurance commissions	60,155	59,469	-	-
Miscellaneous income	15,605	10,223	5,030	1,720
	<u>135,536</u>	<u>140,595</u>	<u>60,374</u>	<u>56,333</u>

9. Operating Expenses by Nature

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Direct cost of property management (Note 18)	1,056,139	869,501	-	-
Staff costs (Note 10)	631,262	601,495	192,369	202,045
Directors' fees	18,358	21,507	16,513	17,550
Professional fees	397,699	101,115	340,765	72,357
Auditors' remuneration	38,196	34,003	14,466	12,731
Information technology services	37,513	30,937	5,994	6,485
Office expense & subscriptions	22,918	14,787	31,736	26,998
Donations	61,253	35,956	43,253	21,456
Depreciation	85,720	36,764	7,337	9,037
Amortisation	8,753	3,434	3,434	3,434
Irrecoverable GCT	21,191	20,886	15,516	15,512
Commission	11,543	10,358	-	-
Write-off	-	1,425	-	-
Other	69,733	73,341	29,368	30,978
	<u>2,460,278</u>	<u>1,855,509</u>	<u>700,751</u>	<u>418,583</u>

PanJam Investment Limited

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10. Staff Costs

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	290,706	370,517	133,432	140,355
Statutory contributions	37,378	24,486	19,584	9,608
Pension – funded (Note 25(a))	79,711	66,285	521	(1,030)
Pension – unfunded (Note 25(b))	25	28	28	28
Other post-employment benefits (Note 25(c))	48,669	50,033	7,235	7,679
Stock compensation expense (Note 31)	34,137	54,660	14,866	34,285
Other	140,636	35,486	16,703	11,120
	<u>631,262</u>	<u>601,495</u>	<u>192,369</u>	<u>202,045</u>

11. Hotel Management Expenses

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Banquets and room services	7,218	-	-	-
Food and beverage	80,635	-	-	-
Property operations	106,761	-	-	-
Franchise expense	12,284	-	-	-
Sales and marketing	59,846	-	-	-
Other operating expense	87,854	-	-	-
Depreciation	2,461	-	-	-
Amortization	2,041	-	-	-
Audit fees	3,538	-	-	-
Staff costs (a)	316,352	-	-	-
Other	125,257	-	-	-
	<u>804,247</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) Staff costs

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and benefits	291,384	-	-	-
Statutory contributions	24,968	-	-	-
	<u>316,352</u>	<u>-</u>	<u>-</u>	<u>-</u>

PanJam Investment Limited

Notes to the Financial Statements

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12. Finance Costs

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest expense	1,019,845	911,447	970,490	859,851
Commitment fees	5,359	2,968	5,359	2,968
	<u>1,025,204</u>	<u>914,415</u>	<u>975,849</u>	<u>862,819</u>

13. Gains on Disposal of Shares in Associated Companies

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Sagicor Group Jamaica Limited				
Proceeds	-	30,663	-	30,663
Carrying value at disposal (Note 19)	-	(5,133)	-	(978)
Gain on disposal	-	<u>25,530</u>	-	<u>29,685</u>
Downing Street Realty Funds				
Consideration	-	370,453	-	-
Carrying value at disposal (Note 19)	-	(202,091)	-	-
Gain on disposal	-	<u>168,362</u>	-	-
New Castle Limited				
Consideration	2,266,864	-	2,266,864	-
Carrying value at disposal (Note 19)	(887,051)	-	(310,306)	-
Gain on disposal	<u>1,379,813</u>	-	<u>1,956,558</u>	-
Gain on disposal	<u>1,379,813</u>	<u>193,892</u>	<u>1,956,558</u>	<u>29,685</u>

PanJam Investment Limited

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14. Taxation

(a) Composition of tax credit

The taxation credit for the year is comprised of:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current income tax	25,824	89,206	7,616	11,696
Prior year over accrual	-	(60,288)	-	-
Deferred income taxes (Note 20)	(446,449)	(49,488)	(254,120)	(59,270)
	<u>(420,625)</u>	<u>(20,570)</u>	<u>(246,504)</u>	<u>(47,574)</u>

Subject to agreement with the Tax Administration Jamaica, the group has losses available for offset against future taxable profits amounting to approximately \$1,959,000,000 (2021 - \$1,421,000,000).

(b) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Profit before tax	4,373,228	7,231,147	2,249,684	1,864,222
Tax at 25%	1,093,307	1,807,787	562,421	466,055
Adjusted for the effects of:				
Income not subject to tax	(102,976)	(95,164)	(44,120)	(75,634)
Adjustment for income taxed at a different rate	(13,443)	(135,893)	(477,410)	(334,911)
Disposal of shares in associated companies	(344,953)	(48,835)	(489,139)	(7,421)
Share of associates' profit included net of tax	(1,236,456)	(1,363,795)	-	-
Expenses not deductible for tax purposes	224,101	66,787	215,201	62,281
Tax losses previously not recognised	-	(164,580)	-	(164,580)
Allowable incentives	-	(16,823)	-	-
Prior year over accrual	-	(60,288)	-	-
Other charges and credits	(40,205)	(9,766)	(13,457)	6,636
Income tax credit	<u>(420,625)</u>	<u>(20,570)</u>	<u>(246,504)</u>	<u>(47,574)</u>

Income not subject to tax consists principally of property revaluation gains (for the group), and certain dividend and interest income (for the group and company). Expenses not deductible for tax consist principally of certain interest expense.

PanJam Investment Limited

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14. Taxation (Continued)

(c) Tax charge/(credit) relating to components of other comprehensive income is as follows:

	The Group			The Company		
	Before Tax \$'000	Tax \$'000	After Tax \$'000	Before Tax \$'000	Tax \$'000	After Tax \$'000
At 31 December 2022						
Exchange differences on translating foreign operations	(4,428)	-	(4,428)	-	-	-
Fair value gains on financial assets, FVOCI	(67,627)	-	(67,627)	(62,835)	-	(62,835)
Re-measurement of post-employment benefit obligation	522,768	(130,692)	392,076	(108,205)	27,051	(81,154)
Share of other comprehensive income of associated company	(4,090,610)	-	(4,090,610)	-	-	-
Other comprehensive income	(3,639,897)	(130,692)	(3,770,589)	(171,040)	27,051	143,989
Deferred income tax (Note 20)		<u>(130,692)</u>			<u>27,051</u>	
	The Group			The Company		
	Before Tax \$'000	Tax \$'000	After Tax \$'000	Before Tax \$'000	Tax \$'000	After Tax \$'000
At 31 December 2021						
Exchange differences on translating foreign operations	11,416	-	11,416	-	-	-
Fair value gains on financial assets, FVOCI	2,453	-	2,453	8,325	-	8,325
Re-measurement of post-employment benefit obligation	(35,910)	8,977	(26,933)	43,395	(10,849)	32,546
Share of other comprehensive income of associated company	(1,329,857)	-	(1,329,857)	-	-	-
Other comprehensive income	(1,351,898)	8,977	(1,342,921)	51,720	(10,849)	40,871
Deferred income tax (Note 20)		<u>8,977</u>			<u>(10,849)</u>	

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15. Earnings Per Stock Unit/Net Profit Attributable to Owners of the Parent

The calculation of basic earnings per stock unit (EPS) is based on the net profit attributable to owners of the parent and the weighted average number of stock units in issue during the year, excluding ordinary stock units purchased by the group and held as treasury stock. For the financial year the group had a weighted average of 1,763,752 (2021 – 4,046,512) treasury stock units.

For fully diluted EPS, the weighted average number of stock units in issue is adjusted to assume conversion of all potentially dilutive ordinary stock units. The net profit is also adjusted to reflect the after-tax effect of income arising from the conversion of such potential ordinary stock units. There were no dilutive ordinary stock units. For 2022 and 2021 the calculation of fully diluted earnings per stock unit is the same as basic earnings per stock unit.

	2022	2021
Net profit attributable to stockholders (\$'000)	4,746,095	7,202,801
Weighted average number of stock units in issue (thousands)	1,064,394	1,062,113
Basic and fully diluted earnings per stock unit (\$)	<u>\$4.46</u>	<u>\$6.78</u>

The net profit of the group is reflected in the records of the company, its subsidiaries, associated companies and joint venture as follows:

	2022	2021
	\$'000	\$'000
Net Profit		
The company	2,496,188	1,911,796
Associated companies	3,036,184	4,080,793
Subsidiaries	<u>(738,519)</u>	<u>1,259,128</u>
	<u>4,793,853</u>	<u>7,251,717</u>

Net profit attributable to associated companies and subsidiaries is shown net of dividends.

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16. Cash and Cash Equivalents

For the purposes of the consolidated and company statements of cash flows, cash and cash equivalents comprise the following balances with original terms to maturity not exceeding 90 days.

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and bank balances	232,347	272,856	61,616	118,802
Deposits	3,073,457	996,355	2,557,366	846,331
Securities purchased under agreements to resell	434,025	1,273,800	297,592	1,147,903
Bank overdraft	(20,665)	(14,986)	(20,665)	(14,985)
	<u>3,719,164</u>	<u>2,528,025</u>	<u>2,895,909</u>	<u>2,098,051</u>
Restricted cash and deposits	(253,543)	-	-	-
Deposits with maturity exceeding 90 days	(31,144)	(24,724)	(10,058)	(17,590)
Cash and cash equivalents	3,434,477	2,503,301	2,885,851	2,080,461
Expected credit loss provision	(3,681)	(6,012)	(2,552)	(4,792)
	<u>3,430,796</u>	<u>2,497,289</u>	<u>2,883,299</u>	<u>2,075,669</u>

Security for the bank overdraft includes certain specific investments. The effective rate on the overdraft facility - was - 14.65% (2021 - 14.65%).

Deposits and securities purchased under agreements to resell net of expected credit loss provision are - \$3,071,077,000 and \$2,555,487,000 (2021 - \$994,776,000 and \$844,983,000) for deposits and \$432,724,000 and \$296,919,000 (2021 - \$1,269,367,000 and \$1,144,459,000) for securities purchased under agreements to resell for the group and company respectively.

The group has entered into collateralised reverse repurchase agreements (securities purchased under agreements to resell), which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. All amounts were due within 12 months. The balance listed is carried gross of provision for expected credit losses amounting to \$1,301,000 and \$673,000 (2021 - \$4,433,000 and \$3,444,000) for the group and company respectively.

Restricted cash and deposits represent funds held in escrow accounts, pending completion of certain transactions.

PanJam Investment Limited

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17. Investment Securities

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets at fair value through other comprehensive income:				
Debt securities -				
Government of Jamaica	96,351	524,233	96,351	516,058
Other Government	81,818	100,756	47,207	61,720
Corporate	277,361	301,066	255,467	277,521
Equity securities	170,422	219,424	180,422	229,424
	<u>625,952</u>	<u>1,145,479</u>	<u>579,447</u>	<u>1,084,723</u>
Financial assets at fair value through profit or loss:				
Equity securities	6,148,843	8,353,741	3,720,039	5,523,240
Debt securities	1,057,298	1,018,575	1,057,298	1,018,575
	<u>7,206,141</u>	<u>9,372,316</u>	<u>4,777,337</u>	<u>6,541,815</u>
Financial assets at amortised cost:				
Debt securities -				
Corporate bonds	397,498	263,909	397,498	263,909
Loans and receivables	54,498	41,548	399,212	388,113
	<u>451,996</u>	<u>305,457</u>	<u>796,710</u>	<u>652,022</u>

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17. Investment Securities (Continued)

Included in the financial assets at fair value through other comprehensive income above is interest receivable amounting to \$4,557,000 and \$4,063,000 (2021 - \$6,434,000 and \$7,347,000) for the group and the company respectively.

The financial assets at fair value through profit or loss consist of equities held for trading, as well as non-trading equities and convertible notes. Non trading equities total \$2,248,635,000 and \$319,798,000 (2021 - \$2,184,137,000 and \$241,932,000) for the group and company respectively.

The financial assets at amortised cost above are carried net of an expected credit loss provision. The provision for bonds is \$17,400,000 (2021 - \$4,430,000) for the group and company and for loans and receivable \$1,918,000 (2021- \$315,000) for the group and company. Included in the total for bonds is interest receivable amounting to \$3,929,000 (2021 - \$4,144,000) for the group and company and in loans and receivables \$125,000 (2021 - nil) for the group and \$28,750,000 (2021 - \$30,009,000) for the company.

The current portion of investment securities is \$313,125,000 (2021 - \$206,724,000) for the group and \$341,255,000 (2021 - \$235,820,000) for the company.

18. Investment Properties

	The Group	
	2022	2021
	\$'000	\$'000
At 1 January	10,024,752	9,531,152
Transferred to property plant & equipment	(501,965)	-
Improvements	6,383	-
Transferred to development in progress and for sale	-	(128,929)
Transferred from capital work-in-progress (Note 22)	406,473	368,085
Fair value gains (Note 6)	463,184	254,444
At 31 December	<u>10,398,827</u>	<u>10,024,752</u>

Amounts recognised in income statement for investment properties includes:

	The Group	
	2022	2021
	\$'000	\$'000
Rental income (Note 6)	1,935,722	1,844,227
Direct operating expenses from property that generated rental income (Note 9)	(1,056,139)	(869,501)
Fair value gains recognised in income (Note 6)	<u>463,184</u>	<u>254,444</u>

There were no direct operating expenses from property that did not generate rental income for the years ended 31 December 2022 and 2021.

PanJam Investment Limited

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18. Investment Properties (Continued)

Properties were valued at current market value as at 31 December by D.C. Tavares & Finson Realty Limited, independent qualified property appraisers and valuers. The values for the properties have been established using the direct capitalization approach and discounted cash flow method. The direct capitalization approach uses as key inputs rental income from existing contracts, a vacancy factor which contemplates decrements in rental cash flows consequent on vacancies, and a capitalization rate, reflective of a rate of return. The discounted cash flow method considers the present value of net cash flows to be generated from a property considering an expected rental growth rate, a vacancy factor and a discount rate. Land owned by the group is valued using the comparable sales method.

The fair values of the investment property are at level 3 in the fair value hierarchy, as, consistent with requirements of IFRS 13, certain of the inputs into the valuation process are deemed to be unobservable; those being the vacancy factor, the capitalisation rate and the discount rate. Management considers the rental rates used in the calculation to be observable as they represent actual rentals which are unadjusted.

The assumptions to which the values are most sensitive are the occupancy levels, as reflected in the vacancy factor and the capitalisation factors. Vacancy factors and the capitalization rates or discount rate used, range from 4% to 16% (2021 – 4% to 16%) and 9% to 13% (2021 –9% to 13%) respectively. Should the vacancy factor used increase/decrease by 0.25% the value of investment properties would decrease by \$184,000,000/\$292,000,000 (2021 - \$84,000,000/\$42,000,00). Should the capitalization factor or the discount rate increase/decrease by 1.0% the value of investment properties would decrease/increase by \$770,000,000/\$916,000,000 (2021 - \$725,000,000/\$736,000,000).

Certain of the group's investment property has been pledged as collateral for some of the group's loan facilities, as discussed in Note 27.

Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk the group may obtain bank guarantees for the term of the lease.

Minimum lease payments receivable on leases of investment properties are as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Within 1 year	977,905	833,530
Between 1 and 2 years	190,885	302,368
Between 2 to 3 years	148,766	252,020
Between 3 to 4 years	131,043	219,799
Between 4 to 5 years	41,086	95,104
Later than 5 years	11,884	39,775
	1,501,569	1,742,596

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19. Investment in Subsidiaries and Associated Companies

Investment in subsidiaries

	<u>The Company</u>	
	2022	2021
	\$'000	\$'000
Subsidiary companies -		
Balance at 1 January and 31 December	1,128,119	1,128,119

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company does not differ from the proportion of ordinary shares held. The parent company also owns 100% of the preference shares of the subsidiaries included in the consolidation.

Net profit attributable to non-controlling interest for the year was \$47,758,000 (2021 - \$48,916,000), of which loss of \$57,000 (2021 – profit of \$172,000) was attributable to Scott's Preserves Limited and \$47,815,000 (2021 - \$49,088,000) to Knutsford Holdings Limited.

Summarised financial information for each material subsidiary that has a non-controlling interest:

Summarised statement of financial position

	<u>Knutsford Holdings Limited</u>		<u>Scott's Preserves Limited</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Assets	178,114	115,480	16,687	16,633
Liabilities	(16,442)	(13,448)	(1,226)	(841)
Total current net assets	161,672	102,032	15,461	15,792
Non-current				
Assets	974,000	906,000	-	-
Financial liabilities	(98,130)	(95,020)	(8)	(3)
Total non-current assets/(liabilities)	875,870	810,980	(8)	(3)
Net assets	<u>1,037,542</u>	<u>913,012</u>	<u>15,453</u>	<u>15,789</u>

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in subsidiaries (continued)

Summarised statement of comprehensive income

	Knutsford Holdings Limited		Scott's Preserves Limited	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revenue	259,361	242,552	-	-
Investment income	2,391	4,706	434	205
Profit/(loss) from continuing operations	144,380	140,287	(213)	(512)
Taxation expense	(19,842)	(17,569)	42	-
Post tax profit from continuing operations	124,538	122,718	(171)	(512)
Total comprehensive income allocated to non-controlling interest	49,815	49,088	(171)	(172)

Summarised cash flows

	Knutsford Holdings Limited		Scott's Preserves Limited	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities				
Cash generated from operations	94,854	89,866	(358)	(689)
Interest paid	(16,084)	(16,084)	-	-
Income tax paid	(16,959)	(16,127)	-	(400)
Net cash provided by/(used in) operating activities	61,811	57,655	(358)	(1,089)
Net cash (used in)/provided by investing activities	(5,333)	(9,936)	412	-
Net cash (used in)/provided by financing activities	-	-	(5)	140
Net (decrease)/increase in cash and cash equivalents	56,478	47,719	49	(949)
Effect of exchange rate on cash and cash equivalent	(1,427)	3,145	-	-
Cash and cash equivalents at beginning of year	104,040	53,176	11,246	12,207
Cash and cash equivalents at end of year	159,091	104,040	11,295	11,258

The information above is the amount before inter-company eliminations.

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance	37,995,085	35,339,651	7,600,639	7,601,617
Additions	73,851	178,735	73,851	-
Disposal	(887,051)	(207,224)	(310,306)	(978)
Share of net profits	4,961,865	5,455,180	-	-
Dividends received	(1,925,681)	(1,374,390)	-	-
Share of reserves	(4,090,610)	(1,396,867)	-	-
Closing balance	<u>36,127,459</u>	<u>37,995,085</u>	<u>7,364,184</u>	<u>7,600,639</u>

The change in reserves included the elimination of the Group's share of revaluation reserve based on a difference in accounting policy.

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Associated companies -				
Life and Health Insurance, Pension Management, Investment and Banking				
Balance at 1 January	35,768,348	33,260,218	6,377,529	6,378,507
Disposal	-	(5,133)	-	(978)
Share of net profit	4,911,030	5,218,831	-	-
Dividends received/declared	(1,890,299)	(1,308,701)	-	-
Share of reserves	(4,090,576)	(1,396,867)	-	-
	<u>34,698,503</u>	<u>35,768,348</u>	<u>6,377,529</u>	<u>6,377,529</u>
Consumer Products				
Balance at 1 January	829,293	629,612	310,306	310,306
Disposal	(887,051)	-	(310,306)	-
Share of net profit	93,140	265,370	-	-
Dividends received	(35,382)	(65,689)	-	-
	<u>-</u>	<u>829,293</u>	<u>-</u>	<u>310,306</u>

PanJam Investment Limited

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Associated companies -				
Tourism/Hospitality				
Balance at 1 January	80,060	153,410	193,665	193,665
Share of net loss	(13,774)	(73,350)	-	-
	<u>66,286</u>	<u>80,060</u>	<u>193,665</u>	<u>193,665</u>
Realty Funds				
Balance at 1 January	710,869	702,223	-	-
Additional investment	-	178,735	-	-
Share of net profit	3,800	32,002	-	-
Disposal	-	(202,091)	-	-
	<u>714,669</u>	<u>710,869</u>	<u>-</u>	<u>-</u>
Business Process Outsourcing				
Balance at 1 January	565,693	524,302	606,361	606,361
Share of net profit	(4,312)	41,391	-	-
	<u>561,381</u>	<u>565,693</u>	<u>606,361</u>	<u>606,361</u>
Other				
Balance at 1 January	40,822	69,886	112,778	112,778
Additional investment	73,851	-	73,851	-
Share of net loss	(28,019)	(29,064)	-	-
Share of reserves	(34)	-	-	-
	<u>86,620</u>	<u>40,822</u>	<u>186,629</u>	<u>112,778</u>
Comprising:				
Share of net assets	34,383,907	36,146,610	-	-
Intangible assets (including goodwill)	1,743,552	1,848,475	-	-
	<u><u>36,127,459</u></u>	<u><u>37,995,085</u></u>	<u><u>7,364,183</u></u>	<u><u>7,600,639</u></u>

PanJam Investment Limited

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies (continued)

A portion of the group's shareholding in Sagicor Group Jamaica Limited has been pledged as collateral for loan liabilities, as discussed in Note 27 of the financial statements.

The group's associated company, Sagicor Group Jamaica Limited is listed on the JSE. The JSE indicative values based on closing bid for this company at 31 December is shown in the tables below.

	The Group			
	Carrying	JSE	Carrying	JSE
	Value	Indicative	Value	Indicative
	2022	2022	2021	2021
	\$'000	\$'000	\$'000	\$'000
Sagicor Group Jamaica Limited	34,698,505	70,100,299	35,768,348	68,720,000

	The Company			
	Carrying	JSE	Carrying	JSE
	Value	Indicative	Value	Indicative
	2022	2022	2021	2021
	\$'000	\$'000	\$'000	\$'000
Sagicor Group Jamaica Limited	6,377,529	70,100,299	6,377,529	68,720,000

PanJam Investment Limited

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies (continued)

The summarised information for associates that were accounted for using the equity method for the years ended 31 December 2022 and 2021 is as presented in the tables below. The summarized financial information reflects balances which are due to the equity holders of the companies.

Summarised statement of financial position

	Life and Health Insurance, Pension Management, Investment and Banking	Consumer Products	Tourism & Hospitality	Business Process Outsourcing	Realty Funds	Other
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Total assets	519,178,882	-	3,341,812	10,217,230	12,219,809	762,801
Total liabilities	(403,255,513)	-	(2,981,201)	(9,150,574)	(9,325,523)	(1,319,476)
Non-controlling interest	(2,052,493)	-	-	-	-	111,783
Net assets	113,870,876	-	360,611	1,066,656	2,894,286	(444,892)

	Life and Health Insurance, Pension Management, Investment and Banking	Consumer Products	Tourism & Hospitality	Business Process Outsourcing	Realty Funds	Other
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Total assets	527,990,704	2,928,924	3,381,652	9,551,635	16,991,713	588,036
Total liabilities	(393,210,991)	(440,781)	(2,996,684)	(8,573,159)	(13,961,012)	(1,309,845)
Non-controlling interest	(19,956,091)	-	-	-	-	102,542
Net assets	114,823,622	2,488,143	384,968	978,476	3,030,701	(619,267)

PanJam Investment Limited

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies (continued)

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of its interest in associates is shown in the table below. The amounts shown in the table are the amounts attributable to the equity holders of the associated companies.

	Life and Health Insurance, Pension Management, Investment and Banking	Consumer Products	Tourism & Hospitality	Business Process Outsourcing	Realty Funds	Other
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Opening net assets at 1 January	114,823,622	2,488,143	384,968	978,476	3,030,701	(619,267)
Capital contribution	-	-	-	-	64,745	208,650
Profit or loss for the period	16,378,634	279,448	(39,355)	(28,745)	61,910	(56,509)
Other comprehensive income	(11,355,404)	-	-	-	-	-
Change in reserves	282,023	-	-	-	103,700	(1,734)
Adjustment	-	-	-	106,319	-	10,335
Dividends paid	(6,257,999)	(106,246)	-	-	-	-
Translation gains/(losses)	-	-	14,998	10,606	(366,772)	13,633
Closing net assets at 31 December	113,870,876	2,661,345	360,611	1,066,656	2,894,284	(444,892)
Interest in associate (J\$)	34,395,828	887,051	126,214	159,998	583,431	17,285
Additional investment	-	-	-	-	111,637	38,385
Adjustment for pre- acquisition goodwill	(200,041)	-	-	-	-	-
Other adjustments	(842,765)	-	(59,928)	3,312	19,601	30,950
Goodwill and intangible assets	1,345,481	-	-	398,071	-	-
Disposal	-	(887,051)	-	-	-	-
Carrying value	34,698,503	-	66,286	561,381	714,669	86,620

See Note 1 for shareholding in associated companies.

PanJam Investment Limited

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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies (continued)

	Life and Health Insurance, Pension Management, Investment and Banking	Consumer Products	Tourism & Hospitality	Business Process Outsourcing	Realty Funds	Other
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Opening net assets at 1 January	106,384,006	1,889,022	438,854	866,351	1,876,664	(482,039)
Capital contribution	-	-	-	-	1,632,343	18,046
Profit or loss for the period	17,395,431	796,189	(206,620)	275,941	109,434	(114,351)
Other comprehensive income	(4,402,628)	-	-	-	-	-
Change in reserves	(221,838)	-	-	-	(26,003)	-
Adjustment	-	-	110,308	(228,895)	-	13,498
Dividends paid	(4,331,349)	(197,068)	-	-	-	-
Disposal	-	-	-	-	(718,114)	-
Translation gains/(losses)	-	-	42,426	65,079	156,377	(54,421)
Closing net assets at 31 December	114,823,622	2,488,143	384,968	978,476	3,030,701	(619,267)
Interest in associate (J\$)	34,683,622	829,298	134,739	146,772	594,096	(157,848)
Additional investment	-	-	-	-	111,637	-
Adjustment for pre- acquisition goodwill	(200,041)	-	-	-	-	142,601
Other adjustments	(97,014)	(13,539)	(54,679)	20,850	(49,953)	56,069
Goodwill and intangible assets	1,381,781	13,534	-	398,071	55,089	-
Carrying value	35,768,348	829,293	80,060	565,693	710,869	40,822

See Note 1 for shareholding in associated companies

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20. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25%.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	686,407	655,899	457,036	422,585
Deferred tax liabilities	(626,584)	(911,833)	(320,966)	(567,686)
Net deferred tax assets/(liabilities)	<u>59,823</u>	<u>(255,934)</u>	<u>136,070</u>	<u>(145,101)</u>

The gross movement on the deferred income tax balance is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at a 1 January	(255,934)	(314,399)	(145,101)	(193,522)
Tax credited to income statement (Note 14)	446,449	49,488	254,120	59,270
Tax credited/(charged) to components of other comprehensive income (Note 14)	(130,692)	8,977	27,051	(10,849)
Balance at 31 December	<u>59,823</u>	<u>(255,934)</u>	<u>136,070</u>	<u>(145,101)</u>

PanJam Investment Limited

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20. Deferred Income Taxes (Continued)

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

	The Group					Total \$'000
	Pension and other post employment benefits \$'000	Interest payable \$'000	Stock compensation provision \$'000	Unutilised tax losses \$'000	Other \$'000	
Deferred income tax assets						
At 1 January 2021	192,050	11,959	36,519	169,722	6,596	416,846
Credited/(charged) to the income statement	26,040	3,866	8,870	186,247	14,030	239,053
At 31 December 2021	218,090	15,825	45,389	355,969	20,626	655,899
Credited to the income statement	21,349	38,902	(11,428)	134,761	4,666	188,250
At 31 December 2022	239,439	54,727	33,961	490,730	25,292	844,149

	The Group						Total \$'000
	Property, plant and equipment \$'000	Pension benefits \$'000	Investment property \$'000	Interest receivable \$'000	Unrealised foreign exchange gains \$'000	Investment securities \$'000	
Deferred income tax liabilities							
At 1 January 2021	17,864	51,970	214,998	51,030	64,521	330,862	731,245
(Credited)/charged to the income statement	(56)	(1,041)	5,769	58,821	58,847	67,225	189,565
(Credited)charged to other comprehensive income	-	(8,977)	-	-	-	-	(8,977)
At 31 December 2021	17,808	41,952	220,767	109,851	123,368	398,087	911,833
(Credited)/charged to the income statement	6,843	(4,206)	(102,203)	126,048	(50,255)	(234,426)	(258,199)
Credited/ to other comprehensive income	-	130,692	-	-	-	-	130,692
At 31 December 2022	24,651	168,438	118,564	235,899	73,113	163,661	784,326

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20. Deferred Income Taxes (Continued)

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

	The Company					Total \$'000
	Pension and other post retirement benefits \$'000	Interest payable \$'000	Stock compensation provision \$'000	Unutilised tax losses \$'000	Other \$'000	
Deferred income tax assets						
At 1 January 2021	15,274	8,965	19,959	169,013	360	213,571
(Charged)/credited to income statement	(90)	11	8,571	186,247	14,275	209,014
At 31 December 2021	15,184	8,976	28,530	355,260	14,635	422,585
(Charged)/credit to income statement	(4,394)	(374)	(13,919)	48,296	4,842	34,451
At 31 December 2022	10,790	8,602	14,611	403,556	19,477	457,036

	The Company					Total \$'000
	Property, plant and equipment \$'000	Retirement benefits \$'000	Interest receivable \$'000	Unrealised foreign exchange gains \$'000	Unrealised trading gains \$'000	
Deferred income tax liabilities						
At 1 January 2021	952	34,031	50,681	60,261	261,168	407,093
(Credited)/Charged to income statement	(56)	(1,041)	29,357	59,073	62,411	149,744
Charged to other comprehensive income	-	10,849	-	-	-	10,849
At 31 December 2021	896	43,839	80,038	119,334	323,579	567,686
Charged/(credited) to income statement	6,843	(4,206)	54,916	(50,657)	(226,565)	(219,669)
Charged to other comprehensive income	-	(27,051)	-	-	-	(27,051)
At 31 December 2022	7,739	12,582	134,954	68,677	97,014	320,966

Deferred income tax liabilities have not been established for the potential distribution of the unappropriated profits of subsidiaries as such distributions are not subject to tax.

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20. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position include the following:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deferred tax assets to be recovered after more than 12 months	273,399	263,479	25,401	43,714
Deferred tax assets to be recovered within 12 months	<u>570,750</u>	<u>392,420</u>	<u>431,635</u>	<u>378,871</u>
	<u>844,149</u>	<u>655,899</u>	<u>457,036</u>	<u>422,585</u>
Deferred tax liabilities to be settled after more than 12 months	(311,653)	(280,527)	(20,321)	(44,734)
Deferred tax liabilities to be settled within 12 months	<u>(472,673)</u>	<u>(631,306)</u>	<u>(300,645)</u>	<u>(522,952)</u>
	<u>(784,326)</u>	<u>(911,833)</u>	<u>(320,966)</u>	<u>(567,686)</u>
Net assets/(liabilities)	<u>59,823</u>	<u>(255,934)</u>	<u>136,070</u>	<u>(145,101)</u>

21. Prepayments and Miscellaneous Assets

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables	31,617	33,193	-	-
Inventories	55,957	52,133	-	-
Managed properties receivables	160,161	113,200	-	-
Prepaid expenses	61,630	44,691	10,178	2,649
Reinsurance receivables	66,114	59,848	-	-
Premium receivable	20,933	33,460	-	-
Other receivables	510,299	415,182	150,685	145,947
Deposits	4,006	343,791	4,006	3,900
Land awaiting development	<u>752,927</u>	<u>745,917</u>	<u>-</u>	<u>-</u>
	<u>1,663,644</u>	<u>1,841,415</u>	<u>164,869</u>	<u>152,496</u>

The current portion of miscellaneous assets amounted to \$910,717,000 (2021 - \$1,100,002,000) for the group and \$164,869,000 (2021 - \$152,496,000) for the company.

Included in other receivables are amounts due from related parties totaling \$276,630,000 (2021 - \$276,630,000) for the group and \$142,000,000 the company for 2022 and 2021.

Land awaiting development comprises properties owned by the group for which the group intends to either develop for owner occupancy or for sale and for which no decision has been taken on the design of development.

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22. Property, Plant and Equipment

	The Group						
	Freehold Premises	Leasehold Improvements	Furniture, Fixtures & Equipment	Motor Vehicles	Capital Work in Progress	Total	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	
At Cost -							
1 January 2021		65,964	14,325	373,603	121,798	1,604,711	2,180,401
Additions		-	-	111,498	11,439	2,091,980	2,214,917
Disposals		-	-	(698)	(15,035)	-	(15,733)
Transfer to properties for development and sale		-	-	-	-	(242,503)	(242,503)
Transfers to investment properties	18	-	-	8,303	-	(376,388)	(368,085)
31 December 2021		65,964	14,325	492,706	118,202	3,077,800	3,768,997
Transfer from investment property		501,965	-	-	-	-	501,965
Additions		727,660	-	688,001	25,505	435,223	1,876,389
Disposals		-	-	(309)	(57,350)	-	(57,659)
Transfer		2,680,490	-	-	-	(2,680,490)	-
Transfer to investment properties	18	-	-	-	-	(406,473)	(406,473)
31 December 2022		3,976,079	14,325	1,180,398	86,357	426,060	5,683,219
Accumulated Depreciation -							
1 January 2021		15,698	10,113	174,385	99,969	-	300,165
Charged for year		723	67	21,352	14,622	-	36,764
Relieved on disposals		-	-	(698)	(13,812)	-	(14,510)
31 December 2021		16,421	10,180	195,039	100,779	-	322,419
Charged for year		696	-	80,264	7,221	-	88,181
Relieved on disposals		-	-	(276)	(57,063)	-	(57,339)
31 December 2022		17,117	10,180	275,027	50,937	-	353,261
Net Book Value -							
31 December 2022		3,958,961	4,145	905,372	35,420	426,060	5,329,958
31 December 2021		49,543	4,145	297,667	17,423	3,077,800	3,446,578

Included in motor vehicles is a right of use asset of \$25,505,000 (2021 - nil) and related lease liability of \$25,505,000 (2021 - \$3,322,000).

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

22. Property, Plant and Equipment (Continued)

	The Company				
	Leasehold Property	Leasehold Improvements	Furniture & Fixtures	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost -					
1 January 2021	79,235	199	14,694	59,105	153,233
Additions	-	-	10,193	-	10,193
Disposal	-	-	(698)	-	(698)
31 December 2021	79,235	199	24,189	59,105	162,728
Additions	-	-	1,769	25,505	27,274
Disposal	-	-	(160)	(30,812)	(30,972)
31 December 2022	79,235	199	25,798	53,798	159,030
Accumulated Depreciation -					
1 January 2021	3,962	199	10,095	50,600	64,856
Charged for the year	1,981	-	1,144	5,912	9,037
Relieved on disposal	-	-	(698)	-	(698)
31 December 2021	5,943	199	10,541	56,512	73,195
Charged for the year	1,981	-	2,766	2,590	7,337
Relieved on disposal	-	-	(160)	(30,812)	(30,972)
31 December 2022	7,924	199	13,147	28,290	49,560
Net Book Value -					
31 December 2022	71,311	-	12,651	25,508	109,470
31 December 2021	73,292	-	13,648	2,593	89,533

As at 31 December 2022, the company recognised a right of use asset with a net book value of \$96,797,000 (2021 - \$73,292,000) and relating lease liability of \$74,295,000 (2021 - \$56,647,000).

PanJam Investment Limited

Notes to the Financial Statements

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23. Properties for Development and Sale

	The Group	
	2022	2021
	\$'000	\$'000
At 1 January	967,119	-
Capital expenditure	621,115	454,922
Transferred from property, plant, and equipment (Note 22)	-	242,503
Transfer from investment properties (Note 18)	-	128,929
Transferred from land awaiting development	-	140,765
At 31 December	<u><u>1,588,234</u></u>	<u><u>967,119</u></u>

The above represents the cost of residential units under development for sale. These units are located in Norbrook, St. Andrew and at the ROK Hotel & Residences in Downtown, Kingston.

PanJam Investment Limited

Notes to the Financial Statements

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24. Intangibles

	The Group				The Company	
	Goodwill \$'000	Computer Software \$'000	Brand Franchise \$'000	Total \$'000	Computer Software \$'000	Total \$'000
At Cost -						
1 January 2021	33,082	87,308	-	120,390	10,303	10,303
Additions	-	5,435	-	5,435	-	-
31 December 2021	33,082	92,743	-	125,825	10,303	10,303
Additions	-	3,141	17,522	20,663	-	-
31 December 2022	33,082	95,884	17,522	146,488	10,303	10,303
Accumulated Amortisation -						
1 January 2021	-	69,920	-	69,920	3,435	3,435
Amortisation	-	3,434	-	3,434	3,434	3,434
31 December 2021	-	73,354	-	73,354	6,869	6,869
Amortisation	-	8,752	2,041	10,793	3,434	3,434
31 December 2022	-	82,106	2,041	84,147	10,303	10,303
Net Book Value -						
31 December 2022	33,082	13,778	15,481	62,341	-	-
31 December 2021	33,082	19,389	-	52,471	3,434	3,434

Goodwill is allocated to Downing Street (Caribbean) Place Limited.

PanJam Investment Limited

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25. Retirement Benefits

The company and its subsidiaries have established a number of pension schemes covering all permanent employees. The assets of funded plans are held independently of the group's assets in separate funds administered by the trustees of the plans. Defined benefit plans are valued by independent actuaries annually, using the projected unit credit method.

The latest actuarial valuations were carried out as at 31 December 2022.

The Trustees are responsible for reviewing the investment portfolio mix of the plans to ensure that the assets are invested efficiently whilst maintaining the prescribed limits as set by the Regulator, within each portfolio class. The Trustees also ensures that the funding contributions are within acceptable levels.

The amounts recognised in the statement of financial position comprise:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets				
(Note 25(a))	-	-	115,559	240,780
Liabilities				
Funded pension obligations (Note 25(a))	33,455	285,519	-	-
Unfunded pension obligations (Note 25(b))	269	339	269	339
Other (Note 25(c))	200,437	368,660	42,891	60,397
	234,161	654,518	43,160	60,736

The expense recognised in the income statement comprises:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Pension obligations - funded (Note 25(a))	79,711	66,285	524	(1,030)
Pension obligations – unfunded (Note 25(b))	25	28	25	28
Other post-employment obligations:				
Medical and life insurance (Note 25(c))	48,669	50,033	7,235	7,679
	128,405	116,346	7,784	6,677

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

25. Retirement Benefits (Continued)

(a) Funded pension obligations

The movement in the amount recognised in the statement of financial position is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of year	285,519	166,939	(240,780)	(201,359)
Benefit expense	79,711	66,285	524	(1,030)
Re-measurement recognised in OCI	(315,139)	53,082	129,261	(38,197)
Employer's contribution	(16,636)	(787)	(4,564)	(194)
Balance at end of year	<u>33,455</u>	<u>285,519</u>	<u>(115,559)</u>	<u>(240,780)</u>

The amounts recognised in the statement of financial position are determined as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Present value of funded obligations	1,228,076	1,792,663	326,070	448,334
Fair value of plan assets	<u>(1,539,633)</u>	<u>(1,657,660)</u>	<u>(786,641)</u>	<u>(839,630)</u>
	(311,557)	135,003	(460,571)	(391,296)
Unrecognised asset due to asset ceiling	<u>345,012</u>	<u>150,516</u>	<u>345,012</u>	<u>150,516</u>
Liability/(asset) in the statement of financial position	<u>33,455</u>	<u>285,519</u>	<u>(115,559)</u>	<u>(240,780)</u>

Sagicor Group Jamaica Limited, an associated company which manages the group's pension fund assets, has invested through its pooled investment funds in 118,703,610 (2021 – 120,963,933) ordinary stock units of the company with a fair value of \$6,789,846,000 (2021 – \$8,165,065,000).

The company has submitted a windup proposal for one of its pension plans to the Financial Services Commission and is awaiting a ruling from the Supreme Court regarding the actuarially recommended distribution of the surplus.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

25. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The movement in the defined benefit obligation over the year is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of year	1,792,663	1,500,139	448,334	378,363
Current service cost	53,822	46,377	15,105	11,402
Interest cost	131,667	124,710	26,054	24,268
	<u>1,978,152</u>	<u>1,671,226</u>	<u>489,493</u>	<u>414,033</u>
Re-measurements - (Gain)/loss from change in financial assumptions	(758,982)	232,396	(174,212)	39,365
Experience losses/(gains)	20,517	(100,465)	9,308	11,399
	<u>(738,465)</u>	<u>131,931</u>	<u>(164,904)</u>	<u>50,764</u>
Members' contributions	38,680	36,587	9,124	7,146
Benefits paid	(74,842)	(127,039)	(7,643)	(93,759)
Purchased annuities	24,551	79,958	-	70,150
Balance at end of year	<u>1,228,076</u>	<u>1,792,663</u>	<u>326,070</u>	<u>448,334</u>

The movement in the fair value of plan assets over the year is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance at beginning of year	1,657,660	1,571,398	839,630	817,920
Interest income	117,819	126,240	52,676	58,138
Re-measurements - Gain/(loss) from change in financial assumptions	(49,573)	3,868	(21,163)	915
Experience losses	(191,298)	(34,139)	(90,547)	(21,074)
Members' contributions	38,680	36,587	9,124	7,146
Employer's contributions	16,636	787	4,564	194
Benefits paid	(74,842)	(127,039)	(7,643)	(93,759)
Purchased annuities	24,551	79,958	-	70,150
Balance at end of year	<u>1,539,633</u>	<u>1,657,660</u>	<u>786,641</u>	<u>839,630</u>

The actual return on plan assets for 2022 was loss of \$106,960,000 and \$52,510,000 (2021 – gain of \$112,506,000 and \$45,358,000) for the group and the company, respectively.

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25. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The expected employer and members contributions for the year 2023 are \$59,271,000 for the group and \$15,747,000 for the company.

The movement on the asset ceiling during the year is as follows:

	The Group and The Company	
	2022	2021
	\$'000	\$'000
Balance at beginning of year	150,515	238,197
Change in asset ceiling, excluding amounts included in interest expense	12,041	21,438
Re-measurement	182,456	(109,120)
	<u>345,012</u>	<u>150,515</u>

The amounts recognised in the income statement are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current service cost	53,822	46,377	15,105	11,402
Interest cost/(credit)	25,889	19,908	(14,581)	(12,432)
Total	<u>79,711</u>	<u>66,285</u>	<u>524</u>	<u>(1,030)</u>

The principal actuarial assumptions used were as follows:

	The Group and Company	
	2022	2021
	%	%
Discount rate	13.00	8.00
Future salary increases	7.50	7.00
Future pension increases	2.75	2.50
Inflation	<u>5.50</u>	<u>5.00</u>

PanJam Investment Limited

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31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

25. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions for the group is:

2022	Increase/(decrease) in post-employment obligations		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(78,991)	95,746
Future salary increases	1%	31,492	(27,628)
Future pension increases	1%	75,657	(66,696)
		Increase Assumption by One Year	Decrease Assumption by One Year
		7,160	(7,480)
2021	Increase/(decrease) in post-employment obligations		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(198,706)	256,015
Future salary increases	1%	88,518	(76,078)
Future pension increases	1%	168,094	(143,615)
		Increase Assumption by One Year	Decrease Assumption by One Year
		21,755	(22,256)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

PanJam Investment Limited

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31 December 2022

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25. Retirement Benefits (Continued)

(b) Unfunded pension obligations

The amounts recognised in the statement of financial position are determined as follows:

	The Group and Company	
	2022	2021
	\$'000	\$'000
Present value of unfunded obligations	269	339

The movement in the liability recognised in the statement of financial position is as follows:

	The Group and Company	
	2022	2021
	\$'000	\$'000
Balance at beginning of year	339	339
Current service cost	25	28
	364	367
Re-measurements -		
Experience losses	(36)	31
	(36)	31
Benefits paid	(59)	(59)
Balance at end of year	269	339

PanJam Investment Limited

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25. Retirement Benefits (Continued)

(c) Other post-employment obligations

In addition to pension benefits, the company and certain subsidiaries offer retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The main actuarial assumption is a long-term increase in health costs of 8.5% per year (2021 – 8%).

Other assumptions were as for the pension plans set out above.

The amounts recognised in the statement of financial position are determined as follows:

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Present value of unfunded obligations	200,437	368,660	42,891	60,397

The movement in the defined benefit obligation over the year is as follows:

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	368,660	343,199	60,397	60,753
Benefit expense	19,541	19,470	2,549	2,335
Interest cost on defined benefit obligation	29,128	30,563	4,686	5,344
Re-measurements -				
(Losses)/gains from change in financial assumptions	(214,996)	83,609	(28,750)	9,834
Experience gains/(losses)	7,401	(100,812)	7,728	(15,062)
Benefits paid	(9,297)	(7,369)	(3,719)	(2,807)
Balance at end of year	200,437	368,660	42,891	60,397

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(expressed in Jamaican dollars unless otherwise indicated)

25. Retirement Benefits (Continued)

(c) Other post-employment obligations (continued)

The expense recognised in the income statement is as follows:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current service cost	19,541	19,470	2,549	2,335
Interest cost	29,128	30,563	4,686	5,344
Total, included in staff costs (Note 10)	<u>48,669</u>	<u>50,033</u>	<u>7,235</u>	<u>7,679</u>

The sensitivity of the long-term medical cost to changes in the weighted principal assumption for the group is:

2022	Increase/(decrease) in post-employment obligations		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(23,342)	28,924
Medical inflation	1%	29,961	(24,413)
		Increase Assumption by One Year	Decrease Assumption by One Year
2022		<u>5,414</u>	<u>(5,449)</u>
Life expectancy			
2021	Increase/(decrease) in post-employment obligations		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(63,862)	85,449
Medical inflation	1%	84,432	(64,289)
		Increase Assumption by One Year	Decrease Assumption by One Year
2021		<u>14,204</u>	<u>(14,001)</u>
Life expectancy			

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

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25. Retirement Benefits (Continued)

(c) Other post-employment obligations (continued)

Plan assets for the post-employment benefits are comprised as follows:

	The Group			
	2022		2021	
	\$'000	%	\$'000	%
Equity	362,753	24	415,915	26
Debt	57,727	4	51,703	3
Unitised investments	1,119,153	72	1,190,042	71
	<u>1,539,633</u>	<u>100</u>	<u>1,657,660</u>	<u>100</u>

	The Company			
	2022		2021	
	\$'000	%	\$'000	%
Equity	165,608	21	185,618	22
Unitised investments	621,033	79	654,012	78
	<u>786,641</u>	<u>100</u>	<u>839,630</u>	<u>100</u>

PanJam Investment Limited

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25. Retirement Benefits (Continued)

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will reduce the surplus or create a deficit with respect to the net assets available for benefits.

As the plan matures, the group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds largely represent investments in Government of Jamaica securities.

However, the group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the group's long-term strategy to manage the plans efficiently. See below for more details on the group's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A high percentage of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The group has not changed the processes used to manage its risks from previous periods. The group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Funding levels are monitored on an annual basis and the current employer contribution rates are between 4.25% of pensionable salaries. The last valuation was completed effective 30 September 2021. The group considers the contribution rates to be sufficient to prevent a deficit and that the plans are adequately funded.

PanJam Investment Limited

Notes to the Financial Statements

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26. Related Party Balances and Transactions

(a) The statements of financial position include the following balances with related parties and companies:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amounts due from related parties:				
Subsidiaries:				
PanJam Hospitality Limited	-	-	22,828	435,525
Portfolio Partners Limited	-	-	6,798	-
Knutsford Holding Limited	-	-	115	-
Castleton Investments Limited	-	-	375,237	533,948
Jamaica Property Company Limited	-	-	5,980,929	3,830,484
Scott's Preserves Limited	-	-	-	5
PJ-AL Corp Limited	-	-	1,015,895	808,378
Simcoe Investments Limited	-	-	443,087	511,524
Baywest Development Limited	-	-	82,155	72,583
Kingchurch Property Holdings Limited	-	-	585,623	4,321
ROK Operating Company Limited	-	-	320,881	35,561
	-	-	8,833,548	6,232,329
Loss provision	-	-	(26,204)	(26,204)
	-	-	8,807,344	6,206,125
Amounts due to related parties:				
The PanJam Share Trust	-	-	73,918	58,299
Subsidiaries:				
Panacea Insurance Limited	-	-	778	817
	-	-	74,696	59,116
Net asset	-	-	8,732,648	6,147,009

The current portion of amounts due from related parties was \$3,529,102,000 (2021 - \$811,467,000) and to related parties was \$74,696,000 (2021 - \$59,116,000) for the company.

Other balances with related parties are discussed in Notes 17, 19 and 21, which deal with "investment securities", "investments in subsidiaries and associated companies" and "prepayments and miscellaneous assets" respectively.

The group applies the IFRS 9 general approach to measuring expected credit losses for related parties' balances. There was no change in the loss allowance recognised for 2022 and 2021 for the company.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances (Continued)

(b) The consolidated and company income statements include the following transactions with related parties:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Subsidiaries -				
Management fees	-	-	53,972	54,613
Interest income	-	-	571,026	386,533
Associated companies -				
Dividend income	-	-	1,925,681	1,374,391
Other related parties -				
Debt securities	-	-	217,908	-
Interest and other income earned	31,599	74,648	22,149	68,016
Interest and other expenses incurred	44,812	47,338	(1,867)	(1,381)
Other expenses	(21,281)	(15,761)	(16,973)	(12,368)

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

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26. Related Party Transactions and Balances (Continued)

(b) Key management compensation:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and other short-term employee benefits	344,379	283,541	136,694	137,271
Statutory contributions	17,516	8,905	12,168	5,218
Post-employment benefits	35,819	27,908	2,219	2,193
Share-based compensation	34,137	54,660	14,866	34,285
	<u>431,851</u>	<u>375,014</u>	<u>165,947</u>	<u>178,967</u>
Directors' emoluments				
Directors' fees	18,358	21,053	16,513	17,550
Consultant's fees	56,535	21,728	56,535	21,728
Management compensation (included above)	<u>217,858</u>	<u>173,428</u>	<u>71,500</u>	<u>106,353</u>
	<u>292,751</u>	<u>216,209</u>	<u>144,548</u>	<u>145,631</u>

(e) Loans from related parties:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	528,557	593,511	-	-
Repayments	(66,614)	(64,954)	-	-
Interest charged	41,048	43,684	-	-
Interest paid	<u>(41,048)</u>	<u>(43,684)</u>	<u>-</u>	<u>-</u>
	<u>461,943</u>	<u>528,557</u>	<u>-</u>	<u>-</u>

PanJam Investment Limited

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27. Loan Liabilities

	Currency	Rate %	Repayable	The Group	
				2022 \$'000	2021 \$'000
Secured –					
(i) Sagicor Bank Jamaica Limited	J\$	8.75 / 7.75	2028	461,943	528,557
(ii) JN Bank	J\$	9.25	2024	20,369	20,369
(iii) JN Bank	J\$	9.25	2024	25,000	25,000
(iv) Investment Bonds	J\$	6.62/3.70	2022	-	2,996,034
(v) Investment Bonds	J\$	6.85	2024	2,788,959	2,780,451
(vi) Investment Bonds	J\$	7.75	2045	4,454,435	4,449,916
(vii) Urban Renewal Bonds	J\$	8.50 / 5.10	2023	208,884	236,653
(viii) First Caribbean International Bank (Jamaica) Limited.	J\$	8.0	2029	3,432,598	-
(ix) Bank of Nova Scotia Jamaica Limited	J\$	7.49	2023	-	1,179
(x) National Commercial Bank Jamaica Limited	J\$	6.35	2024	2,485,570	2,478,167
Unsecured -					
(xi) JN Properties Limited	J\$	Variable	No fixed date	13,586	13,586
				13,891,344	13,529,912
Interest payable				61,788	64,510
				<u>13,953,132</u>	<u>13,594,422</u>

PanJam Investment Limited

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27. Loan Liabilities (Continued)

	Currency	Rate %	Repayable	The Company	
				2022 \$'000	2021 \$'000
Secured -					
(iv) Investment Bonds	J\$	6.62 / 3.70	2022	-	2,996,034
(v) Investment Bonds	J\$	6.85	2024	2,788,959	2,780,451
(vi) Investment Bonds	J\$	7.75	2045	4,454,435	4,449,916
(vii) Urban Renewal Bonds	J\$	8.50 / 5.10	2023	208,884	236,653
(viii) First Caribbean International Bank (Jamaica) Limited	J\$	8.00	2029	3,432,598	-
(x) National Commercial Bank Jamaica Limited	J\$	6.35	2024	2,485,570	2,478,167
				13,370,446	12,941,221
Interest payable				61,788	64,510
				<u>13,432,234</u>	<u>13,005,731</u>

The current portion of loan liabilities amounted to \$342,405,000 (2021 - \$3,161,955,000) for the group and \$271,288,000 (2021 - \$3,093,510,000) for the company.

Investment bonds are shown net of transaction costs, which are amortised over the life of the bonds. Total transaction costs amounted to 220,764,000 (2021 - \$196,489,000) and the unamortised portion at 31 December 2022 was 139,054,000 (2021 - \$97,279,000).

- (i) This represents a loan issued by Sagicor Bank Jamaica Limited to assist with the renovation of building located at 2 – 4 King Street. Interest is charged at Sagicor Bank's base rate minus a discount. The loan is secured by a first mortgage over the building and is being repaid in 144 monthly instalments ending April 2028.
- (ii) This represents the first drawdown on a J\$67,000,000 mortgage loan facility from JN Bank, to assist with renovations to the building located at 23 – 27 Knutsford Boulevard. Interest is charged at a rate of 9.25% per annum. The loan is secured by a first mortgage over lot 44 located at St Lucia Way, 23 – 27 Knutsford Boulevard and is scheduled to be repaid by 2024.
- (iii) This represents the second drawdown on a J\$67,000,000 mortgage loan facility from JN Bank, to assist with the purchase of lots 42 and 43 New Kingston. The loan is secured by a first mortgage over lot 44 located at St Lucia Way, 23 – 27 Knutsford Boulevard and is scheduled to be repaid by 2024. Interest currently charged is 9.25% per annum.

PanJam Investment Limited

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27. Loan Liabilities (Continued)

- (iv) This represented the carrying value of certain secured investment bonds issued by the group and company in 2015 with a face value of \$3,000,000,000, net of issue costs. Interest was fixed to August 13, 2017 at 10.85% per annum, following which the rate was 2.50% above the weighted average yield of the six-month Government of Jamaica Treasury Bill prevailing at each repricing date. The bonds matured in August 2022 and were paid out.
- (v) This represents the carrying value of certain secured investment bonds issued by the group and company in 2019, with a face value of \$2,800,000,000, net of issue costs. Interest is fixed at 6.85% per annum for the term of the bond. The bonds are secured by certain Sagicor Group Jamaica Limited shares owned by the group. Of the total bonds issued, related parties hold \$900,000,000.
- (vi) This represents the carrying value of certain unsecured investment bonds issued by the group and company in 2020, with a face value of \$4,500,000,000, net of issue costs. Interest is fixed at 7.75% per annum for the term of the bonds. \$4,432,000,000 of the bonds issued are held by related parties.
- (vii) This represents the carrying value of urban renewal bonds issued by the group and company in 2016 with a face value of \$209,500,000, net of issue costs. Interest was fixed to June 16, 2018 at 8.05% per annum multiplied by a factor of 0.875, following which the rate is 1.50% above the weighted average yield of the six-month Government of Jamaica Treasury Bill prevailing at each repricing date, multiplied by a factor of 0.875. The notes are secured by certain Sagicor Group Jamaica Limited shares owned by the group.
- (viii) This represents a loan issued by the FirstCaribbean International Bank Jamaica Limited for the purpose of refinancing the 2022 investment bond and funding capital expenditure. Interest is charged at a rate of 8.0% for the first 2 years following which the rate will be 2.0% above the weighted average yield of the six-month Government of Jamaica Treasury Bill prevailing at each repricing date. The loan will be repaid with 15 equal instalments, November 2025 to May 2029 and a balloon payment in August 2029. The loan is secured by certain Sagicor Group Jamaica Limited shares owned by the group.
- (ix) This represented a loan issued by the Bank of Nova Scotia Jamaica Limited. Interest was charged at a rate of 7.49% per annum and the loan was repaid in 2022.
- (x) This represents a \$2,500,000,000 loan from National Commercial Bank Jamaica Limited to refinance debt and for general working capital. Interest is fixed at 6.35% per annum. The loan is scheduled to be repaid in 2024 and is secured by certain Sagicor Group Jamaica Limited shares owned by the group.
- (xi) This represents a loan advanced by JN Properties Limited. The debt is unsecured, attracts interest at a variable rate and has no fixed repayment terms.

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28. Lease Liabilities

The lease obligations are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Minimum lease payments:				
Not later than 1 year	5,699	4,494	16,756	10,239
Later than 1 year and not later than 5 years	48,360	24,000	94,789	81,117
	54,059	28,494	111,545	91,356
Future finance charges	(4,186)	(70)	(37,250)	(34,709)
Present value of lease obligations	49,873	28,424	74,295	56,647

The present value of the lease obligations is as follows:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	5,489	4,424	13,372	7,811
Later than 1 year and not later than 5 years	44,384	24,000	60,923	48,836
	49,873	28,424	74,295	56,647

Certain leases are secured by motor vehicles owned by the group.

29. Other Liabilities

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Other liabilities and accrued expenses	433,078	338,286	49,357	143,042
Reinsurance liabilities	58,718	46,677	-	-
Tenants deposits	69,710	67,054	-	-
Deposits	254,860	-	-	-
Trade payables	108,291	55,168	23,374	3,838
Dividends payable	-	303,291	-	303,856
Accounts payable	80,547	71,683	80,546	71,683
	1,005,204	882,159	153,277	522,419

The current portion of other liabilities amounted to \$935,494,000 (2021 - \$815,105,000) for the group and \$153,277,000 (2021 - \$522,534,000) for the company. Dividends payable relates to a special dividend declared by the company in December 2021 and paid on 19 January 2022.

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30. Share Capital

	2022	2021
	No.	No.
	'000	'000
Authorised share capital of no-par value -		
Ordinary shares	1,250,000	1,250,000
	\$'000	\$'000
Issued and fully paid -		
1,066,159,890 stock units	2,141,985	2,141,985

31. Stock Grants and Options/Equity Compensation Reserve

The company operates a Long-Term Incentive Plan ("LTIP") administered by a committee of the company's Board of Directors. The company has reserved 7.5% of its authorized share capital for issue under the plan.

Under the LTIP, certain executive officers of the group are eligible to receive awards of a combination of company stock grants and stock options, once a predetermined company performance objective is met. The awards are made annually in May, and vest in four equal annual installments beginning with the first December 31 (for options) and April 30 (for grants) following the date of award. Vesting in both stock grants and stock options awarded under the plan is dependent on time-based, company and individual performance criteria. Vested options are exercisable for 7 years from the date of award. Awards of grants and options are formula-based dependent on the percentage of each awardee's base compensation at the date of award subject to the LTIP, and the fair value of stock options and stock grants awarded. The fair value of stock grants, and the exercise price and fair value of stock options, is set based on the closing bid price of the company's stock on the last trading day in March of the year in which the award is made.

Shares issued when stock grants are vested and when stock options are exercised have the same rights as other issued common shares.

During the year, grants of 414,875 (2021: nil) shares of company stock were awarded under the plan to five executives, and 991,677 (2021 – 572,377) shares became fully vested and were issued.

At December 31, 2022, options over 8,098,573 (2021 – 7,641,702) shares were outstanding, 6,538,686 (2021 - 6,780,090) of which were vested and exercisable, at the prices per share as follows:

Expiring December 31	Outstanding	Vested	Exercise Price
2023	1,650,355	1,650,355	\$18.67
2024	977,458	977,458	\$34.94
2025	1,504,056	1,504,056	\$42.57
2026	1,107,057	1,107,057	\$81.70
2027	1,169,695	877,272	\$77.50
2029	1,689,952	422,488	\$66.03
	<u>8,098,573</u>	<u>6,538,686</u>	

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31. Stock Grants and Options/Equity Compensation Reserve (Continued)

During 2022, options over 628,167 (2021 – 3,304,304) shares were exercised. Options over 604,914 shares (2021 – 671,920) expired or were forfeited during the year.

The company uses the Black-Scholes option pricing model for determining the fair value of stock options awarded, which is expensed over the vesting period. The range of values of stock options awarded as at December 31, 2022 and 2021, as determined using this model, was \$4.38 to \$19.27. The significant inputs into the model were as follows:

	2022	2021
Exercise price (range in \$ per share)	\$34.94- \$81.70	\$34.94- \$81.70
Annual risk-free rate	4.6%	4.2%
Volatility factor	30.3%	34.4%
Expected dividend yield	2.5%	2.5%
Expected life (in years)	4.00	4.00

Share-based compensation expense is recognised over the vesting period of each award and is based on the total fair value of all awards expected to vest. The group and the company recognised share-based compensation in 2022 of 34,136,000 and \$14,866,000 (2021 - \$54,660,000 and \$34,285,000), respectively. To satisfy its obligations in relation to the stock grants of \$22,433,000 (2021 - \$46,520,000) for the group and \$13,125,000 (2021 - \$27,339,000) for the company, the group issued shares from its holdings of treasury shares, with a cost of \$65,593,000 (2021 - \$286,887,000).

Movement in Equity Compensation Reserves

	<u>The Group</u>		<u>The Company</u>	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	124,734	116,594	56,698	49,752
Value of service provided	34,136	54,660	14,866	34,285
Options/grants issued	(22,432)	(46,520)	(13,125)	(27,339)
Balance at 31 December	<u>136,438</u>	<u>124,734</u>	<u>58,439</u>	<u>56,698</u>

32. Property Revaluation Reserve

The balance represents the accumulated revaluation gains on investment properties attributable to owners of the parent, transferred from retained earnings.

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33. Investment and Other Reserves

These comprise:

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Fair value gains on investments	(144,274)	(76,648)	(165,253)	(102,418)
Capital reserves	2,592,535	2,615,802	1,337,983	1,337,983
Capital redemption reserves	2,176	2,176	2,200	2,200
Share of other comprehensive income of associated companies	(3,020,630)	1,842,173	-	-
	<u>(570,193)</u>	<u>4,383,503</u>	<u>1,174,930</u>	<u>1,237,765</u>
Capital reserves:				
Realised gain on sale of treasury shares	51,991	70,830	-	-
Realised gain on sale of insurance operations	1,161,344	1,161,344	2,688,484	2,688,484
Realised gain on dilution of holding in subsidiaries and associates	433,516	433,516	-	-
Reserve arising on acquisition of non-controlling interest	623,267	623,267	(1,493,255)	(1,493,255)
Other	322,417	326,845	142,754	142,754
	<u>2,592,535</u>	<u>2,615,802</u>	<u>1,337,983</u>	<u>1,337,983</u>

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34. Dividends

	2022	2021
	\$'000	\$'000
First interim dividend for 2022 at \$0.285 (2021 - \$0.105) per stock unit - gross	303,856	111,947
Second interim dividend for 2022 at \$0.285 (2021 - \$0.15) per stock unit – gross	303,856	159,924
Third interim dividend for 2022 at \$0.10 (2021 - \$0.20) per stock unit – gross	106,616	213,232
Fourth interim dividend for 2022 at \$0.10 (2021 - \$0.26) per stock unit - gross	106,616	277,201
	<u>820,944</u>	<u>762,304</u>
Special dividends declared for 2022 at \$0.35 per stock unit (2021 – \$0.285) - gross	373,155	303,856
	<u>1,194,099</u>	<u>1,066,160</u>
Less: Dividends on treasury stock	(2,115)	(2,926)
Total dividends declared	<u>1,191,984</u>	<u>1,063,234</u>
Dividends paid/declared by the company	<u>1,497,955</u>	<u>762,303</u>
Dividends paid/declared by the group	<u>1,495,275</u>	<u>759,942</u>

On the 27 February 2023, the company declared a dividend of \$0.225 per stock unit for which there is no accruals in the 2022 financial statements. On 28 February 2022, the company declared two dividends, a special dividend of \$0.35 per stock unit and dividend of \$0.285 per stock unit for which there are no accruals in the 2021 financial statements.

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35. (a) Cash Flows from Operating Activities

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Net profit	4,793,853	7,251,717	2,496,188	1,911,796
Adjustments to reconcile net profit to cash flows provided by operating activities:				
Depreciation of property, plant and equipment	88,181	36,764	7,337	9,037
Profit on disposal of property, plant and equipment	(569)	(1,575)	(691)	-
Amortisation of intangibles	10,793	3,434	3,434	3,434
Stock compensation expense	34,136	54,660	14,866	34,285
Interest income	(169,743)	(244,460)	(728,833)	(596,975)
Finance costs	1,025,204	914,415	975,849	862,819
Share of results of associated companies	(4,961,865)	(5,455,180)	-	-
Gain on disposal of shares in associated companies	(1,379,813)	(193,892)	(1,956,558)	(29,685)
Income tax expense/(credit)	(420,625)	(20,570)	(246,504)	(47,574)
Change in retirement benefit asset/obligation	102,413	108,130	(558)	3,617
Fair value gains on investment properties	(463,184)	(254,444)	-	-
Losses/(gains) on foreign currency denominated investments	75,916	(196,276)	102,793	(279,290)
Impairment of financial assets	29,642	(53,602)	7,305	(42,421)
Unrealised losses/(gains) on financial assets at fair value through profit or loss	876,963	(1,390,841)	631,387	(604,339)
	(358,698)	558,280	1,306,015	1,224,704
Changes in operating assets and liabilities:				
Taxation recoverable	(10,774)	(13,114)	(8,233)	(11,750)
Other assets	(110,052)	(285,886)	(12,374)	4,432
Other liabilities	426,332	96,924	(65,286)	34,622
Disposal of financial assets at fair value through profit or loss, net	1,611,920	582,813	591,287	641,865
	1,558,728	939,017	1,811,409	1,893,873
Interest received	143,936	263,533	707,031	566,488
Income tax paid	(141,694)	(64,287)	(7,615)	(11,695)
Net cash provided by operating activities	1,560,970	1,138,263	2,510,825	2,448,666

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35. (b) Movement in Net Debt

	Group			Company		
	Lease Liabilities \$'000	Loan Liabilities \$'000	Total \$'000	Lease Liabilities \$'000	Loan Liabilities \$'000	Total \$'000
Net debt as at 1 January 2021	34,979	13,663,531	13,698,510	64,315	13,008,237	13,072,552
Repayment	(6,555)	(99,130)	(105,685)	(9,410)	(32,527)	(41,937)
Interest expense	-	884,430	884,430	1,742	828,125	829,867
Interest paid	-	(884,394)	(884,394)	-	(828,089)	(828,089)
Deferred costs	-	29,985	29,985	-	29,985	29,985
Net debt as at 31 December 2021	28,424	13,594,422	13,622,846	56,647	13,005,731	13,062,378
Acquisition	25,505	3,428,132	3,453,637	25,504	3,428,132	3,453,636
Repayment	(4,056)	(3,096,886)	(3,100,942)	(10,284)	(3,029,000)	(3,039,284)
Interest expense	-	995,111	995,111	2,428	943,212	945,640
Interest paid	-	(997,740)	(997,740)	-	(945,934)	(945,934)
Deferred costs	-	30,093	30,093	-	30,093	30,093
Net debt as at 31 December 2022	49,873	13,953,132	14,003,005	74,295	13,432,234	13,506,529

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36. 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, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The COVID-19 pandemic and measures implemented by the government to control the spread did not materially impact the group during the year under review. Market prices improved relative to prior year as the group recorded unrealized gains compared to losses in the prior year on its equity portfolio. The impact on the remaining financial assets and liabilities was not significant. The group continues to monitor the risks and implement measures to mitigate against any significant impact.

Risk management is carried out by the Investment Committee, which identifies, evaluates and manages financial risks in close co-operation with the group's operating business units. The Board of Directors sets guidelines for overall risk management including specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity.

(a) 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, interest rates, political risk and economic risk. Market risk is monitored by the group treasury function which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risk.

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States (US) and Canadian (CAD) dollars. Foreign exchange risk arises from transactions for purchases and recognised assets and liabilities.

The group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximizing foreign currency earnings and holding foreign currency balances.

Concentration of currency risk

The table below summarises the currencies in which the group's and company's financial assets and liabilities are denominated at 31 December:

	The Group			
	2022			
	Jamaican \$	US\$	CAD\$	Total
	J\$'000	J\$'000	J\$'000	J\$'000
Financial assets				
Cash and bank balances	79,474	149,675	3,198	232,347
Deposits	158,996	2,894,813	17,268	3,071,077
Investment securities	3,667,599	4,446,068	170,422	8,284,089
Securities purchased under agreements to resell	264,903	167,821	-	432,724
Trade and other receivables	528,545	129,960	134,625	793,130
Total financial assets	4,699,517	7,788,337	325,513	12,813,367
Financial liabilities				
Bank overdraft	20,665	-	-	20,665
Loan liabilities	13,953,132	-	-	13,953,132
Lease liabilities	49,873	-	-	49,873
Other liabilities	851,663	153,541	-	1,005,204
Total financial liabilities	14,875,333	153,541	-	15,028,874
Net position	(10,175,816)	7,634,796	325,513	(2,215,507)

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group			
	2021			
	Jamaican \$	US\$	CAD\$	Total
	J\$'000	J\$'000	J\$'000	J\$'000
Financial assets				
Cash and bank balances	76,261	122,672	73,923	272,856
Deposits	450,428	540,945	3,403	994,776
Investment securities	5,318,504	5,285,324	219,424	10,823,252
Securities purchased under agreements to resell	851,875	417,492	-	1,269,367
Trade and other receivables	724,978	139,071	134,625	998,674
Total financial assets	7,422,046	6,505,504	431,375	14,358,925
Financial liabilities				
Bank overdraft	14,986	-	-	14,986
Loan liabilities	13,594,422	-	-	13,594,422
Lease liabilities	28,424	-	-	28,424
Other liabilities	756,619	125,540	-	882,159
Total financial liabilities	14,394,451	125,540	-	14,519,991
Net position	(6,972,405)	6,379,964	431,375	(161,066)

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Company			
	2022			
	Jamaican \$	US\$	CAD\$	Total
	J\$'000	J\$'000	J\$'000	J\$'000
Financial assets				
Cash and bank balances	31,246	30,370	-	61,616
Deposits	145,083	2,410,404	-	2,555,487
Investment securities	3,797,118	2,185,954	170,422	6,153,494
Securities purchased under agreements to resell	196,858	100,061	-	296,919
Due from related parties	6,973,125	1,834,219	-	8,807,344
Receivables	154,692	-	-	154,692
Total financial assets	11,298,122	6,561,008	170,422	18,029,552
Financial liabilities				
Bank overdraft	20,665	-	-	20,665
Due to related parties	74,696	-	-	74,696
Loan liabilities	13,432,234	-	-	13,432,234
Lease liabilities	74,296	-	-	74,296
Other liabilities	153,277	-	-	153,277
Total financial liabilities	13,755,167	-	-	13,755,167
Net position	(2,457,045)	6,561,	170,422	4,274,385

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Company			
	2021			
	Jamaican \$	US\$	CAD\$	Total
	J\$'000	J\$'000	J\$'000	J\$'000
Financial assets				
Cash and bank balances	48,866	69,936	-	118,802
Deposits	431,789	413,194	-	844,983
Investment securities	5,427,863	2,631,273	219,424	8,278,560
Securities purchased under agreements to resell	779,540	364,919	-	1,144,459
Due from related parties	4,352,275	1,853,850	-	6,206,125
Receivables	149,847	-	-	149,847
Total financial assets	11,190,180	5,333,172	219,424	16,742,776
Financial liabilities				
Bank overdraft	14,985	-	-	14,985
Due to related parties	58,299	817	-	59,116
Lease liabilities	13,005,731	-	-	13,005,731
Loan liabilities	56,647	-	-	56,647
Other liabilities	522,419	-	-	522,419
Total financial liabilities	13,658,081	817	-	13,658,898
Net position	(2,467,901)	5,332,355	219,424	3,083,878

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency-denominated financial instruments and adjusts their translation at the year-end for a 4% increase and 1% decrease (2021 - 6% increase and 2% decrease) in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange (gains)/losses on translation of foreign currency monetary financial assets and financial liabilities. The sensitivity of other components of equity was as result of translation gains/ (losses) on foreign currency denominated equities classified as fair value through other comprehensive income.

	The Group					
	% Change in Currency Rate 2022	Effect on Profit before Tax 2022 \$'000	Effect on other Components of Equity 2022 \$'000	% Change in Currency Rate 2021	Effect on Profit before Tax 2021 \$'000	Effect on other Components of Equity 2021 \$'000
Currency:						
USD	4%	300,567	2,795	6%	377,616	5,180
USD	-1%	(75,142)	(699)	-2%	(125,872)	(1,727)
CAD	4%	6,204	6,817	6%	12,717	13,165
CAD	-1%	(1,551)	(1,704)	-2%	(4,239)	(4,388)

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Company					
	% Change in Currency Rate	Effect on Profit before Tax	Effect on other Components of Equity	% Change in Currency Rate	Effect on Profit before Tax	Effect on other Components of Equity
	2022	2022	2022	2021	2021	2021
		\$'000	\$'000		\$'000	\$'000
Currency:						
USD	4%	262,440	-	6%	319,941	-
USD	-1%	(65,610)	-	-2%	(106,647)	-
CAD	4%	-	6,817	6%	-	13,165
CAD	-1%	-	(1,704)	-2%	-	(4,388)

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) 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 and company to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's and company's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

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

	The Group						Total \$'000
	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	
	At 31 December 2022:						
Financial assets							
Cash and bank balances	216,705	-	-	-	-	15,642	232,347
Deposits	2,971,893	68,216	17,268	13,700	-	-	3,071,077
Investment securities	10,096	62,803	148,162	1,420,151	323,612	6,319,265	8,284,089
Securities purchased under agreements to resell	257,456	175,268	-	-	-	-	432,724
Trade and other receivables	4,006	-	134,625	-	-	654,499	793,130
Total financial assets	3,460,156	306,287	300,055	1,433,851	323,612	6,989,406	12,813,367
Financial liabilities							
Bank overdraft	20,665	-	-	-	-	-	20,665
Loan liabilities	461,943	208,884	-	8,752,495	4,468,022	61,788	13,953,132
Lease liabilities	-	-	-	-	49,873	-	49,873
Other liabilities	4,031	-	-	-	-	1,001,173	1,005,204
Total financial liabilities	486,639	208,884	-	8,752,495	4,517,895	1,062,961	15,028,874
Total interest repricing gap	2,973,517	97,403	300,055	(7,318,644)	(4,194,283)	5,926,445	(2,215,507)
Cumulative interest repricing gap	2,973,517	3,070,920	3,370,975	(3,947,669)	(8,141,952)	(2,215,507)	

PanJam Investment Limited

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31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						Total \$'000
	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	
At 31 December 2021:							
Financial assets							
Cash and bank balances	189,714	-	-	-	-	83,142	272,856
Deposits	813,406	164,264	3403	13,703	-	-	994,776
Investment securities	40,363	55,074	129,138	1,602,838	422,674	8,573,165	10,823,252
Securities purchased under agreements to resell	774,577	487,258	7,532	-	-	-	1,269,367
Trade and other receivables	3,900	-	134,625	-	-	860,149	998,674
Total financial assets	1,821,960	706,596	274,698	1,616,541	422,674	9,516,456	14,358,925
Financial liabilities							
Bank overdraft	14,986	-	-	-	-	-	14,986
Loan liabilities	528,558	3,232,687	-	5,305,164	4,463,503	64,510	13,594,422
Lease liabilities	-	-	4,424	-	24,000	-	28,424
Other liabilities	3,904	-	-	-	-	878,255	882,159
Total financial liabilities	547,448	3,232,687	4,424	5,305,164	4,487,503	942,765	14,519,991
Total interest repricing gap	1,274,512	(2,526,091)	270,274	(3,688,623)	(4,064,829)	8,573,691	(161,066)
Cumulative interest repricing gap	1,274,512	(1,251,579)	(981,305)	(4,669,928)	(8,734,757)	(161,066)	

PanJam Investment Limited

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31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						Total
	Within 1	1 to 3	3 to 12	1 to 5	Over	Non-Interest	
	Month	Months	Months	Years	5 Years	Bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2022:							
Financial assets							
Cash and bank balances	61,616	-	-	-	-	-	61,616
Deposits	2,545,663	-	-	9,824	-	-	2,555,487
Investment securities	10,096	62,803	148,162	1,742,971	289,001	3,900,461	6,153,494
Securities purchased under agreements to resell	257,456	39,463	-	-	-	-	296,919
Due from related parties	-	26,504	3,301,727	1,517,445	3,271,230	690,438	8,807,344
Receivables	4,006	-	-	-	-	150,686	154,692
Total financial assets	2,878,837	128,770	3,449,889	3,270,240	3,560,231	4,741,585	18,029,552
Financial liabilities							
Bank overdraft	20,665	-	-	-	-	-	20,665
Due to related parties	-	-	-	-	-	74,696	74,696
Loan liabilities	-	208,884	-	8,707,127	4,454,435	61,788	13,432,234
Lease liabilities	-	-	-	-	74,295	-	74,295
Other liabilities	4,031	-	-	-	-	149,246	153,277
Total financial liabilities	24,696	208,884	-	8,707,127	4,528,730	285,730	13,755,167
Total interest repricing gap	2,854,141	(80,114)	3,449,889	(5,436,887)	(968,499)	4,455,855	4,274,385
Cumulative interest repricing gap	2,854,141	2,774,027	6,223,916	787,029	(181,470)	4,274,385	

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						Total
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 31 December 2021:							
Financial assets							
Cash and bank balances	118,802	-	-	-	-	-	118,802
Deposits	670,661	164,264	-	10,058	-	-	844,983
Investment securities	32,188	55,074	129,138	1,949,402	360,094	5,752,664	8,278,560
Securities purchased under agreements to resell	716,635	420,292	7,532	-	-	-	1,144,459
Due from related parties	-	28,652	525,231	2,543,144	2,593,224	515,874	6,206,125
Receivables	3,900	-	-	-	-	145,947	149,847
Total financial assets	1,542,186	668,282	661,901	4,502,604	2,953,318	6,414,485	16,742,776
Financial liabilities							
Bank overdraft	14,985	-	-	-	-	-	14,985
Due to related parties	-	-	-	-	-	59,116	59,116
Loan liabilities	-	3,232,687	-	5,258,618	4,449,916	64,510	13,005,731
Lease liabilities	-	-	-	-	56,647	-	56,647
Other liabilities	3,904	-	-	-	-	518,515	522,419
Total financial liabilities	18,889	3,232,687	-	5,258,618	4,506,563	642,141	13,658,898
Total interest repricing	1,523,297	(2,564,405)	661,901	(756,014)	(1,553,245)	5,772,344	3,083,878
Cumulative interest repricing gap	1,523,297	(1,041,108)	(379,207)	(1,135,221)	(2,688,466)	3,083,878	

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's and company's income statement and stockholders' equity.

The group's and company's interest rate risk arise from investment securities, securities purchased under agreements to resell and long-term borrowings. The sensitivity of the income statement is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities. The sensitivity of other components of equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates.

		The Group		The Company	
		Effect on Profit before Taxation	Effect on Other Components of Equity	Effect on Profit before Taxation	Effect on Other Components of Equity
		2022	2022	2022	2022
		\$'000	\$'000	\$'000	\$'000
Change in basis points:					
2022	2022				
JA\$	US\$				
+100	+100	23,147	(9,668)	25,200	(9,668)
-50	-50	14,201	5,026	11,388	5,026
<hr/>					
		The Group		The Company	
		Effect on Profit before Taxation	Effect on Other Components of Equity	Effect on Profit before Taxation	Effect on Other Components of Equity
		2021	2021	2021	2021
		\$'000	\$'000	\$'000	\$'000
Change in basis points:					
2021	2021				
JA\$	US\$				
+300	+100	(65,194)	(53,577)	(53,357)	(53,577)
-50	-100	2,863	30,838	2,415	30,838
<hr/>					

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The group and company are exposed to equity price risk because of investments held by the group and company classified on the respective statements of financial position either fair value through profit or loss or FVOCI. The group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact on total stockholders' equity (before tax) of a 6% increase and decrease (2021-5% increase and decrease) in equity prices is an increase and decrease of 379,158,420 and 234,027,660 for the group and company respectively (2021 – increase and decrease of \$428,026,500 and \$287,633,200) for the group and company.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents (excluding bank balances), contractual cash flows of debt investments carried at amortised cost, at FVOCI and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The group and company have policies in place to ensure that property rentals and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The group manages its credit risk by screening its customers, establishing credit limits, obtaining bankers' guarantees or collateral for loans where applicable, the rigorous follow-up of receivables and ensuring investments are low-risk or are held with sound financial institutions.

(i) Trade receivables

Trade receivables relate mainly to tenants of the group's commercial properties. Receivables are monitored and followed up on a regular basis and provisions made as deemed necessary based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

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

(iii) Guarantees

The group's policy is not to provide financial guarantees on behalf of any other party than wholly owned subsidiaries and other entities in which the group has an equity investment.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk

	Maximum exposure			
	The Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Credit risk exposures relating to on statement of financial position items are as follows:				
Assets:				
Cash and bank balances	232,347	272,856	61,616	118,802
Deposits	3,071,077	994,776	2,555,487	844,983
Financial assets at fair value through other comprehensive income	455,530	926,055	399,025	855,299
Financial assets at fair value through profit or loss	1,057,298	1,018,575	1,057,298	1,018,575
Financial assets at amortised cost	451,996	305,457	796,710	652,022
Securities purchased under agreements to resell	432,724	1,269,367	296,919	1,144,459
Trade and other receivables	793,130	998,674	154,692	149,847
Due from related parties	-	-	8,807,344	6,206,125
	<u>6,494,102</u>	<u>5,785,760</u>	<u>14,129,091</u>	<u>10,990,112</u>
Credit risk exposures relating to assets not recorded on the statement of financial position				
Lease commitments	<u>1,501,569</u>	<u>1,742,596</u>	<u>-</u>	<u>-</u>

The above table represents a worst-case scenario of credit risk exposure to the group and company at 31 December 2022 and 2021, without taking account of any collateral held or other credit enhancements. For assets carried on the statement of financial position, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

Impairment of financial assets

The group has three types of financial assets that are subject to the expected credit loss (ECL) model:

- trade receivables
- debt investments carried at amortised cost, and
- debt investments carried at FVOCI.

(i) Trade and managed properties receivables

The following table summarises the group's and company's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	The Group	
	2022	2021
	\$'000	\$'000
Commercial	48,354	51,785
Retail	14,389	6,812
Managed properties	175,165	128,204
Premium receivables	37,672	-
	<u>275,580</u>	<u>186,801</u>
Less: Loss allowance	<u>(62,869)</u>	<u>(40,408)</u>
	<u>212,711</u>	<u>146,393</u>

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected credit loss rates are based on the historical credit losses experienced within a three-year period before 31 December 2022. The historical rates are adjusted to reflect current and forward-looking information on the macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the Gross Domestic Product (GDP), the interest rate and the inflation rate of the country in which it sells its services to be the most relevant factors and accordingly adjusts the historical loss rates based on the expected changes in these factors.

PanJam Investment Limited

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31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Trade and managed properties receivables (continued)

On this basis, the loss allowance as at 31 December 2022 and 2021 was determined as follows for trade receivables:

	<u>The Group</u>	
	Expected Credit Loss Rate	Gross Carrying Amount \$'000
31 December 2022		
Current	11%	8,276
More than 30 days past due	25%	6,972
More than 90 days past due	60%	<u>47,495</u>
		62,743
Managed properties	9%	175,165
Premium receivables	44%	<u>37,672</u>
		275,580
Loss allowance		<u>(62,869)</u>
Total		<u><u>212,711</u></u>

	<u>The Group</u>	
	Expected Credit Loss Rate	Gross Carrying Amount \$'000
31 December 2021		
Current	6%	21,581
More than 30 days past due	19%	7,513
More than 90 days past due	77%	<u>29,503</u>
		58,597
Managed properties	12%	<u>128,204</u>
		186,801
Loss allowance		<u>(40,408)</u>
Total		<u><u>146,393</u></u>

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Trade and managed properties receivables (continued)

The closing loss allowances for trade receivables as at 31 December 2022 reconciles to the opening loss allowance as follows:

	The Group	
	2022	2021
	\$'000	\$'000
Opening loss allowance as at 1 January	40,408	53,755
Increase/(decrease) in loan loss allowance recognised in income statement	22,461	(12,176)
Receivables written off during the year as uncollectible	-	(1,171)
At 31 December	62,869	40,408

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are included in the net impairment losses on financial assets in the income statement.

(ii) Other miscellaneous assets

Other miscellaneous assets at amortised cost include loans to related parties and other receivables totaling of \$276,630,000 (2021 - \$276,630,000).

The loss allowance for loans and other receivables to related parties carried at amortised was \$26,204,000 for 2022 and 2021 for the company.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iii) Debt investments

The following table summarises the credit exposure of the group and company to businesses and government by sectors in respect of investments (excluding equities, investments in subsidiaries and associated companies and related parties' debt):

	The Group		The Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Government of Jamaica	96,351	524,233	96,351	516,058
Corporate and other government	5,325,075	3,948,449	4,617,175	3,611,167
	<u>5,421,426</u>	<u>4,472,682</u>	<u>4,713,526</u>	<u>4,127,225</u>

Significant increase in credit risk

- Qualitative assessment – Credit ratings are associated with ranges of default probabilities based on historical information. Rating outlooks, which are inherently forward-looking, are used to determine the probability of default to be applied to a specific security within its respective range. In calculating the probability of default, the group uses credit ratings along with rating outlooks from recognised rating agencies. The ratings and risk estimates are mapped to an internal credit risk grading model in order to standardise across different rating systems and to clearly demarcate significant changes in credit risk over time.

A qualitative assessment is done at initial recognition and subsequently at each statement of financial position date and where it is determined that there is a significant increase in the probability of default (PD) the security is categorised as stage 2 for the purpose of calculating the ECL. If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

- Quantitative assessment - Investment securities considered to have experienced a significant increase in credit risk if it is more than 30 days past due on its contractual payments.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iii) Debt investments (continued)

Expected credit loss measurement

IFRS 9 outlined a 'three stage' model for impairment based on changes in the credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Except for the investments in Government of Barbados securities and a USD Indexed bond issued by a corporate entity, all of the entity's other debt investments at amortised cost and FVOCI are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months expected losses (Stage 1). Management considers 'low credit risk' for bonds to be those with an investment grade or high yield credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. In 2019 the group participated in the Government of Barbados debt exchange programme and at 31 December 2022 the bond was classified as purchased originated credit impaired and was carried at \$26,970,540 for the group and company. The USD indexed bond was classified as stage 3 and the carrying value was \$76,359,000.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

(iii) Debt investments (continued)

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI. The movement in loss allowance is as follows

	The Group						
	FVOCI	Amortised cost		Loans	Repos	Deposits	Total
	Bonds	Bonds	\$'000				
Balance at 1 January 2021	28,472	13,888	36,137	2,797	1,002	82,296	
Increase/(Decrease) in loss allowance recognised in the income statement during the year	1,640	(9,458)	(35,822)	1,636	577	(41,427)	
Balance at 31 December 2021	30,112	4,430	315	4,433	1,579	40,869	
(Decrease)/Increase in loss allowance recognised in the income statement during the year	(5,063)	12,970	1,603	(3,132)	801	7,179	
Closing loss allowance as at 31 December 2022	25,049	17,400	1,918	1,301	2,380	48,048	

	The Company						
	FVOCI	Amortised cost		Loans	Repos	Deposits	Total
	Bonds	Bonds	\$'000				
Balance at 1 January 2021	28,132	13,888	36,137	2,360	832	81,349	
(decrease)/(increase) in loss allowance recognised in the income statement during the year	1,260	(9,458)	(35,822)	1,084	515	(42,421)	
Balance at 31 December 2021	29,392	4,430	315	3,444	1,347	38,928	
Increase/decrease in loss allowance recognised in the income statement during the year	(5,029)	12,970	1,603	(2,771)	532	7,305	
Closing loss allowance as at 31 December 2022	24,363	17,400	1,918	673	1,879	46,233	

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

Total loss allowance on financial assets at 31 December 2022 was \$110,917,000 (investment securities \$48,048,000, and trade receivables, 62,869,000) for the group and \$72,437,000 (investment securities, 46,233,000 and related parties, 26,204,000) for the company. Total loss allowance on financial assets at 31 December 2021 was \$81,277,000 (investment securities \$40,869,000, and trade receivables, \$40,408,000) for the group and \$65,132,000 (investment securities, \$38,928,000 and related parties, \$26,204,000) for the company.

Sensitivity analysis

Set out below are the changes in ECL as at 31 December 2022 that would result from a reasonable possible change in the PDs used by the group:

Financial Assets	The Group			
	Actual PD ranges applied	% Change in PD	Impact on ECL	
			Higher threshold	Lower threshold
			\$'000	\$'000
Debt instruments- FVOCI	1.0% - 3.3%	+/- 20%	941	(941)
Debt instruments at amortised cost	0.3% - 14.9%	+/-20%	1,152	(1,152)
Cash and cash equivalents	0.1% - 3.3%	+/-20%	736	(736)
Trade receivables and other miscellaneous assets			2,536	(2,536)
Total			5,365	(5,365)

Financial Assets	The Company			
	Actual PD ranges applied	% Change in PD	Impact on ECL	
			Higher threshold	Lower threshold
			\$'000	\$'000
Debt instruments- FVOCI	1.0% - 3.3%	+/- 20%	804	(804)
Debt instruments at amortised cost	0.3% - 14.9%	+/-20%	1,152	(1,152)
Cash and cash equivalents	0.1% - 3.3%	+/-20%	510	(510)
Total			2,466	(2,466)

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(b) Credit risk (continued)

Sensitivity analysis (continued)

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

Financial Assets	The Group			
	Actual PD ranges applied	% Change in PD	Impact on ECL	
			Higher threshold	Lower threshold
			\$'000	\$'000
Debt instruments- FVOCI	0.5%-3.3%	+/-20%	1,879	(1,879)
Debt instruments at amortised cost	0.3%-3.3%	+/-20%	949	(949)
Cash and cash equivalents	0.1%-3.3%	+/-20%	1,203	(1,203)
Trade receivables and other miscellaneous assets			3,499	(3,499)
Total			7,530	(7,530)

Financial Assets	The Company			
	Actual PD ranges applied	% Change in PD	Impact on ECL	
			Higher threshold	Lower threshold
			\$'000	\$'000
Debt instruments- FVOCI	0.5%-3.3%	+/-20%	1,735	(1,735)
Debt instruments at amortised cost	0.3%-14.9%	+/-20%	949	(949)
Cash and cash equivalents	0.1%-3.3%	+/-20%	958	(958)
Total			3,642	(3,642)

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(c) 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Investment Committee, includes:

- (i) Monitoring future cash flows and liquidity on a weekly basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining lines of credit;
- (iv) Optimising cash returns on investments; and
- (v) Managing the concentration and profile of debt maturities.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the group and its exposure to changes in interest rates and exchange rates.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows

The tables below summarise the maturity profile of the group's and company's financial assets and liabilities at 31 December based on contractual undiscounted payments.

	The Group						Total \$'000
	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 \$'000	
	As at 31 December 2022						
Financial assets							
Cash and bank balances	232,356	-	-	-	-	-	232,356
Deposits	2,975,581	68,837	17,844	15,515	-	-	3,077,777
Investment securities	29,730	83,689	215,752	1,677,282	272,771	6,319,265	8,598,489
Securities purchased under agreements to resell	258,135	176,750	-	-	-	-	434,885
Trade and other receivables	286,660	165,707	201,736	139,050	-	-	793,153
Total financial assets (contractual maturity dates)	3,782,462	494,983	435,332	1,831,847	272,771	6,319,265	13,136,660
Financial liabilities							
Bank overdraft	20,706	-	-	-	-	-	20,706
Loans	23,290	212,511	1,078,852	9,256,342	10,969,357	-	21,540,352
Lease liabilities	475	950	4,275	22,800	25,559	-	54,059
Other liabilities	220,028	517,478	267,721	-	-	-	1,005,227
Total financial liabilities (contractual maturity dates)	264,499	730,939	1,350,848	9,279,142	10,994,916	-	22,620,344
Net Liquidity Gap	3,517,963	(235,956)	(915,516)	(7,447,295)	(10,722,145)	6,319,265	(9,483,684)
Cumulative Liquidity Gap	3,517,963	3,282,007	2,366,491	(5,080,804)	(15,802,949)	(9,483,684)	

The group has sufficient non-financial assets that could be liquidated should the need arise as well as access to additional financing to ensure it is able to meet its obligations as and when they fall due.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Group						Total \$'000
	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 \$'000	
	As at 31 December 2021						
Financial assets							
Cash and bank balances	272,564	-	-	-	-	-	272,564
Deposits	815,103	164,874	3,748	16,169	-	-	999,894
Investment securities	60,626	78,295	247,609	1,775,188	477,132	8,573,165	11,212,015
Securities purchased under agreements to resell	776,363	491,255	7,578	-	-	-	1,275,196
Trade and other receivables	128,916	230,402	160,419	478,941	-	-	998,678
Total financial assets (contractual maturity dates)	2,053,572	964,826	419,354	2,270,298	477,132	8,573,165	14,758,347
Financial liabilities							
Bank overdraft	14,997	-	-	-	-	-	14,997
Loans	23,132	198,127	3,746,859	7,967,820	8,367,354	-	20,303,292
Lease liabilities	455	3,162	877	-	24,000	-	28,494
Other liabilities	118,809	244,843	518,519	-	-	-	882,171
Total financial liabilities (contractual maturity dates)	157,393	446,132	4,266,255	7,967,820	8,391,354	-	21,228,954
Net Liquidity Gap	1,896,179	518,694	(3,846,901)	(5,697,522)	(7,914,222)	8,573,165	(6,470,607)
Cumulative Liquidity Gap	1,896,179	2,414,873	(1,432,028)	(7,129,550)	(15,043,772)	(6,470,607)	

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Company						Total
	Within 1	1 to 3	3 to 12	1 to 5	Over 5	No Specific	
	Month	Months	Months	Years	Years	Maturity	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2022:							
Assets							
Cash and bank balances	61,618	-	-	-	-	-	61,618
Deposits	2,547,882	113	338	11,350	-	-	2,559,683
Investment securities	32,155	88,539	233,697	2,107,629	225,082	3,900,461	6,587,563
Securities purchased under agreements to resell	258,135	39,729	-	-	-	-	297,864
Due from related parties	18,880	73,325	3,859,688	2,858,564	3,498,873	284,510	10,593,840
Receivables	4,029	-	11,636	139,050	-	-	154,715
Total financial assets							
(contractual maturity dates)	2,922,699	201,706	4,105,359	5,116,593	3,723,955	4,184,971	20,255,283
Liabilities							
Bank overdraft	20,706	-	-	-	-	-	20,706
Due to related parties	-	-	-	-	-	74,695	74,695
Loans	13,483	192,897	990,589	8,755,973	10,914,772	-	20,867,714
Lease liabilities	1,397	2,793	12,569	76,613	18,173	-	111,545
Other liabilities	4,055	-	203,199	-	-	-	207,254
Total financial liabilities							
(contractual maturity dates)	39,641	195,690	1,206,357	8,832,586	10,932,945	74,695	21,281,914
Net Liquidity Gap	2,883,058	6,016	2,899,002	(3,715,993)	(7,208,990)	4,110,276	(1,026,631)
Cumulative Liquidity Gap	2,883,058	2,889,074	5,788,076	2,072,083	(5,136,907)	(1,026,631)	

The company has sufficient non-financial assets that could be liquidated should the need arise as well as access to additional financing to ensure it is able to meet its obligations as and when they fall due.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Company						Total
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
As at 31 December 2021:							
Assets							
Cash and bank balances	118,806	-	-	-	-	-	118,806
Deposits	672,219	164,874	338	11,800	-	-	849,231
Investment securities	54,846	83,145	265,482	2,225,545	400,489	5,752,664	8,782,171
Securities purchased under agreements to resell	720,146	421,380	7,578	-	-	-	1,149,104
Due from related parties	19,836	75,237	824,670	4,168,090	3,149,889	160,371	8,398,093
Receivables	3,910	-	6,897	139,050	-	-	149,857
Total financial assets (contractual maturity dates)	1,589,763	744,636	1,104,965	6,544,485	3,550,378	5,913,035	19,447,262
Liabilities							
Bank overdraft	14,997	-	-	-	-	-	14,997
Due to related parties	-	-	-	-	-	59,116	59,116
Lease liabilities	13,483	178,829	3,660,019	7,476,144	8,207,849	-	19,536,324
Loans	853	1,707	7,679	49,828	31,289	-	91,356
Other liabilities	3,914	-	518,505	-	-	-	522,419
Total financial liabilities (contractual maturity dates)	33,247	180,536	4,186,203	7,525,972	8,239,138	59,116	20,224,212
Net Liquidity Gap	1,556,516	564,100	(3,081,238)	(981,487)	(4,688,760)	5,853,919	(776,950)
Cumulative Liquidity Gap	1,556,516	2,120,616	(960,622)	(1,942,109)	(6,630,869)	(776,950)	

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

36. Financial Risk Management (Continued)

(d) Capital management

The group's objectives when managing capital are to provide superior returns for stockholders and benefits for other stakeholders, while maintaining a conservative capital structure. The Board of Directors monitors the return on equity, which the group defines as net profit attributable to equity holders divided by total stockholders' equity, excluding non-controlling interest. The Board of Directors also monitors and approves the level of dividends to ordinary stockholders.

The group will from time to time purchase its own shares on the market for employee share plan purposes, the timing of which depends on the prevailing market prices.

There were no changes to the group's approach to capital management during the year.

The company and its subsidiaries have no externally imposed capital requirements.

37. 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 (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. For financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at statement of financial position dates.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

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

- (a) Cash and deposits, receivables, payables and related party balances reflect their approximate fair values due to the short-term nature of these instruments;
- (b) Investment securities classified as fair value through profit or loss and fair value through OCI are measured at fair value by reference to quoted market prices or valuation techniques such as a discounted cash flow model;
- (c) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;
- (d) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans; and
- (e) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

PanJam Investment Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

37. Fair Value of Financial Instruments (Continued)

The following financial assets and financial liabilities are not carried at fair value:

	The Group			
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
	2022	2022	2021	2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial assets at amortised cost	451,996	442,622	305,457	298,859
Financial Liabilities				
Loan liabilities	13,953,132	11,999,432	13,594,422	13,244,135
Lease liabilities	49,873	54,059	28,424	28,494
	<u>49,873</u>	<u>54,059</u>	<u>28,424</u>	<u>28,494</u>
	The Company			
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
	2022	2022	2021	2021
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Financial assets at amortised cost	796,710	781,299	652,022	650,797
Financial Liabilities				
Loan liabilities	13,432,234	11,499,807	13,005,731	12,663,728
Lease liabilities	74,295	111,545	56,647	91,356
	<u>74,295</u>	<u>111,545</u>	<u>56,647</u>	<u>91,356</u>

The fair value of financial assets and liabilities is within level 2 of the fair value hierarchy. Balances for other financial assets and liabilities carried at amortised cost not disclosed above, approximates their fair value because of their short-term nature.

PanJam Investment Limited

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(expressed in Jamaican dollars unless otherwise indicated)

37. Fair Value of Financial Instruments (Continued)

The group follows the requirements of IFRS 7 for financial instruments that are carried on the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's financial assets that are measured at fair value at 31 December: See Note 3(v) and 16 for disclosure of investment properties that are measured at fair value.

	The Group			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2022				
Financial assets				
Investment securities	<u>3,972,313</u>	<u>553,847</u>	<u>3,305,933</u>	<u>7,832,093</u>
As at 31 December 2021				
Financial assets				
Investment securities	<u>5,374,896</u>	<u>1,940,186</u>	<u>3,202,712</u>	<u>10,517,794</u>
	The Company			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2022				
Financial assets				
Investment securities	<u>3,566,844</u>	<u>402,844</u>	<u>1,387,096</u>	<u>5,356,784</u>
As at 31 December 2021				
Financial assets				
Investment securities	<u>4,582,450</u>	<u>1,773,581</u>	<u>1,270,507</u>	<u>7,626,538</u>

There were no transfers between levels during the year.

PanJam Investment Limited

Notes to the Financial Statements

31 December 2022

(expressed in Jamaican dollars unless otherwise indicated)

37. Fair Value of Financial Instruments (Continued)

The following table shows the changes in Level 3 instruments:

	The Group		The Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	3,202,712	1,455,192	1,270,507	194,420
Additions	367,787	972,346	211,587	972,346
Settlements	(95,888)	(33,877)	(95,888)	(33,877)
Unrealised gains and losses included in the Income statement/OCI	(168,678)	809,051	890	137,618
	<u>3,305,933</u>	<u>3,202,712</u>	<u>1,387,096</u>	<u>1,270,507</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	<u>(168,678)</u>	<u>809,050</u>	<u>890</u>	<u>137,618</u>
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	<u>(168,678)</u>	<u>809,050</u>	<u>890</u>	<u>137,618</u>

The quoted market price used for financial assets held by the group is current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments classified as financial assets at fair value through profit or loss and available for sale.

The fair value of financial instruments that are not quoted on an exchange is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 investments include investments in closed end real estate funds which are not publicly traded as well as investment in a venture capital fund and loan to an associated company with an equity conversion feature.

To determine the carrying value for these investments management independently computes its share of the fair value of the net assets of the funds, by assessing the results of valuations and considering the fair values of cash and investment holdings as well as any debt obligations these funds may have. For funds holding real estate, they are valued using the direct capitalisation and the discounted cash flow method. These consider the rental rates, rent multipliers, factors for vacancy and a capitalization rate. The capitalization factors and the rent multipliers for these real estate funds as well as the inputs for the valuation of the investments in the venture capital fund are largely unobservable inputs that have the greatest potential for volatility and have resulted in the classification of the investments in level 3. The capitalization rates and rental multipliers used in the real estate funds valuations range from 3% to 8% and 16.66 to 33.33 respectively.

Should the vacancy factor increase/decrease by 0.25% (2021 - 0.25%), this would result in an increase/(decrease) in the carrying value of these respective investments, with all other factors remaining constant, of \$3,416,604 / (3,416,604) (2021 - \$4,015,000/(\$4,014,000)) for the group only. Should the capitalization factors increase/decrease by 1% (2021 -1%) it would result in a (decrease)/increase in the carrying value of the investments, with all other factors remaining constant, of (\$170,526,000)/\$228,309,000 (2021 - (\$271,000,000)/\$372,000,000) for the group only.

PanJam Investment Limited

Notes to the Financial Statements

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37. Fair Value of Financial Instruments (Continued)

In determining the fair value of the loan to the associated company, management assessed the EBITDA of the associated company and the probability of achieving this EBITDA.

Should the probability increase/(decrease) by 1%, this would result in an increase/decrease in the carry value of the loan by \$11,625,000/(\$11,625,000) for the group and company.

Specific valuation techniques used to value financial instruments include:

- (i) Quoted market prices or dealer quotes for similar instruments
- (ii) Other techniques, such as discounted cash flow analysis used to determine fair value for the remaining financial instruments.

38. Litigation and Contingent Liabilities

The company and its subsidiaries are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters, when, in the opinion of management, it is probable that a payment will be made by the group, and the amount can be reasonably estimated.

In respect of claims asserted against the group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the group which is immaterial to both financial position and results of operations.

39. Business Combination

On November 21, 2022, the Boards of Directors of PanJam Investment Limited ("PanJam") and Jamaica Producers Group Limited ("JP") approved the companies entering into an agreement to effect a proposed combination of the material businesses of both companies (the "Amalgamation"). In addition, on December 22, 2022, at an Extraordinary General Meeting (EGM) the shareholders of Pan Jam and JP voted in favour of the proposed Amalgamation, which will result in PanJam's acquisition of JP's material operating businesses in exchange for newly-issued ordinary shares representing 34.5% of the issued ordinary share capital of PanJam. The transaction is expected to be completed in the first quarter of 2023 subject to regulatory approval.

PAN JAM INVESTMENT LIMITED
10 LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2022

<u>SHAREHOLDERS</u>	<u>STOCK HELD</u>	<u>OWNERSHIP</u> %
1 Boswell Investments Limited	344,361,400	32.30%
2 Sagicor Pooled Equity Fund	118,703,610	11.13%
3 National Insurance Fund	61,081,670	5.73%
4 Scotia Jamaica Investment Mgmt. A/C 3119	41,208,930	3.87%
5 Facey, Stephen and Wendy	34,820,975	3.27%
6 Guardian Life Limited	23,233,800	2.18%
7 ATL Group Pension Fund Trustees Nom Ltd	21,403,013	2.01%
8 Cecil Boswell Facey Foundation	17,506,510	1.64%
9 NCB Insurance Company Ltd WT109	17,037,655	1.60%
10 JCSD Trustee Services Ltd - Sigma Equity	15,334,154	1.44%
Total Top Ten (10) Shareholdings	694,691,717	65.16%
Other Shareholdings	371,468,173	34.84%
		100.00%
Total Issued Shares	1,066,159,890	
Total no. of stockholders	5287	

SHAREHOLDINGS OF DIRECTORS

<u>NAME</u>	<u>PERSONAL</u>	<u>CONNECTED PARTY</u>
CHRISTOPHER BARNES	113,680	NIL
STEPHEN B FACEY	34,820,975	417,718,967
PAUL FACEY	14,982,042	397,982,225
PAUL HANWORTH	1,737,606	NIL
KATHLEEN MOSS	131,094	NIL
IAN PARSARD	255,225	NIL
MATTHEW PRAGNELL	169,927	NIL
ANGELLA RAINFORD	31,993	NIL
JOANNA BANKS	170,012	NIL

SHAREHOLDINGS OF SENIOR MANAGERS

AS AT 31 DECEMBER 2022

<u>NAME</u>	<u>PERSONAL</u>	<u>CONNECTED PARTY</u>
STEPHEN B FACEY	34,820,975	417,718,967
PAUL FACEY	14,982,042	397,982,225
CAMELIA NELSON	82,700	NIL
CLAUDETTE ASHMAN IVEY	54,627	NIL
KAREN L VAZ	249,353	NIL
JOANNA BANKS	170,012	NIL
ERIC SCOTT	NIL	NIL
PHILLIP ARMSTRONG	90,000	NIL