Financial Results

For The Twelve Months Ended September 30, 2023

(Unaudited)

Barita

Investments Limited

Making Money Work For You Since 1977

$9.1B
Net Operating Revenue

$3.4B
Net Profit

$35.5B
Total Shareholder's Equity

$128.7B
Total Assets

50.7%
Efficiency Ratio

9.7%
Return on Average Equity

3.4
Leverage

Barita........Making Money Work For You Since 1977

Chairman's Statement

Mark Myers, *Chairman*

The Board of Directors of Barita Investments Limited ("Barita" or "the Group") is pleased to present the Group's unaudited financial statements for the 12-month period ended September 30, 2023.

Our fourth quarter results mark the end of FY2023 and the culmination of 5 financial years since Cornerstone acquired majority shares in Barita in August 2018. Over the period from September 2018 to September 2023, our total assets increased from $18.9 billion to $128.7 billion Simultaneously, total shareholders' equity experienced an impressive rise, growing from $3.1 billion to $35.5 billion. It is worth noting that at the close of the March 2020 quarter, which coincided with the implementation of COVID-19 curtailment measures locally, our total shareholders' equity was 14.4 billion and total assets were $48.7 billion. This means that more than 60% of our balance sheet growth occurred during what could be considered 'once-in-a-lifetime' market conditions. This stellar performance deserves commendation. Recalling this historical context underscores the strength and resilience of the Barita Brand, the quality of its team members, and our organisational determination to achieve our objectives in the face of tremendous challenges. This context provides the overarching backdrop against which the FY2023 results should be interpreted, as we prepare to implement our strategic initiatives for the next five years.

During Q4 and in the immediate term, our primary focus remains on completing our core system replacement project alongside other critical technological overhaul initiatives, including our fintech projects. Additionally, in FY2024, we expect to make significant inroads with our FHC reorganisation that would include structural changes to the Cornerstone Group yielding significant value for both existing and prospective Barita shareholders.

It is important to note that our investment strategy outcomes will be influenced by the actions of the Bank of Jamaica, as it continues to limit Jamaican dollar liquidity and maintains elevated policy rates to tackle local inflation. Similarly, the actions of the US Federal Reserve have also added some degree of uncertainty regarding potential investment returns and the level of risks. This uncertainty is particularly significant given the sharp increase in policy rates over the last year, the adverse consequences of which may not yet be readily apparent. Recognising the usual nature of the late stage of a business cycle and the anticipated economic slowdown, it is especially crucial at this time to make prudent capital allocation decisions. Current market conditions largely underpinned by a severely restrictive monetary policy stance by the central bank, present challenges for businesses across several sectors including the financial industry. In this regard, the company will continue to navigate the complexities of the current economic landscape, while maintaining our focus on capital and liquidity management together with medium to long-term alternative investment strategies.

Operating Performance

Barita increased its net operating revenues by $144 million to $9.1 billion, a 2% increase which is creditable within the context of the current market environment. Net profit for the FY23 was $3.4 billion, a 20% decrease relative to FY 2022. Correspondingly, the resulting earnings per share was $2.81, 19% below the corresponding FY 2022 figure.

The Barita Group's FY 2023 revenue outturn comprised the following:

Net Interest Income (NII):

NII reflected a $1.1 billion (65%) decrease year-over-year ("YoY") to $581 million. Consistent with our guidance throughout the year, this outcome reflects the continuing influence of the BOJ's restrictive monetary policy measures. Consequently, interest rates on funding liabilities remain elevated across the sector, contrasting with the lower yields on the stock of earning assets held by securities dealers. However, with the BOJ and the US Federal Reserve pausing their rate hike cycles, conditionally on early signs of an economic slowdown brewing in the US, suggests that the rate hike cycle may have peaked. This, in turn, opens the possibility of reversing the NII trajectory in FY 2024 and beyond as liabilities begin to reprice downward. While we anticipate this shift for NII, our focus remains firm on expanding the group's alternative investments, credit and fixed-income portfolios to support the NII generated from traditional asset classes.

Non-Interest Income:

Non-interest income reflected a robust year-over-year increase of 17% or $1.2 billion, to $8.5 billion relative to $7.3 billion in FY 2022. The increase in non-interest income was principally driven by a boost in gain on investment activities, which helped to offset a 24% YOY reduction in foreign exchange trading translation gains; fees & commission income recorded a commendable 13% growth YoY. The details of our non-interest income are as follows:

Gain on Investments:

Revenue from this line item rose by $995 million or 30% to $4.4 billion relative to FY 2022. Our alternative investment exposures accounted for 82% or $3.6 billion of this outturn. The revenue contribution from alternative investments in this line is attributed to real estate linked to our exposure to the Barita Real Estate Portfolio Fund. Notably, the revenue attributable to the Barita Real Estate

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Portfolio Fund was primarily related to appreciation in the values of the underlying property portfolio held by the fund. Further, revenues were generated from a $359 million gain on sales of investments and a $444 million fair market value gain on our equity portfolio.

Fees & Commission Income:

This line increased by 13% to $3.4 billion (FY 2022: $3.0 billion). These revenues are comprised substantially of fees generated from asset and portfolio management and investment banking. Performance fees related to the management of the real estate holding vehicle, MJR Real Estate Holdings, accounted for $1.1 billion of the fee revenues generated. Growing assets under management and capital market activity remain a key focus, supported by robust liquidity management. Total assets under management increased by 7.4% YoY to $362 billion.

Foreign Exchange ("FX") Trading and Translation Gains:

The Group's FX trading and translation gains declined to $604 million, or 24% YoY.

Operating Expenses:

Non-interest expenses for FY 2023 rose by 21% to $4.6 billion (FY 2022: $3.8 billion). The YoY rise in expenses is driven primarily by increases in administration costs (by $788 million or 38%) and staff costs (by $25 million or 1%), while the Group's expected credit losses ("ECL") were negative $4 million, relative to $4 million in FY 2022, reflecting an asset composition with relatively lower residual credit risk. Consequently, the group's efficiency ratio increased to 51% for FY2023 relative to 43% in FY 2022. Consistent with our previous guidance, the increase in our operating expenses is a deliberate outcome of the continued investments by the Group in our people, processes, technology and customer experience. This strategic approach signifies our commitment to making investments that will unlock future revenues for the Group and increased earnings for shareholders. Our philosophy is anchored in a growth-oriented strategy that places emphasis on prioritising revenue-enhancing expenditures while focusing on cost-cutting measures in non-essential areas.

Balance Sheet Highlights

The company's total assets increased by $19 billion to $128.7 billion (Sep 2022: 109.7 billion), funded primarily by increased retained earnings, repurchase agreements and other debt facilities, including bonds issued during the period. Total shareholders' equity showed a net increase of $3.3 billion to $35.5 billion resulting from growth in the Company's retained earnings. Key balance sheet line items are discussed in brief below:

Assets:

Total Assets:

Barita's total assets stood at $128.7 billion at the end of FY2023, representing a $19 billion or 17% increase over the balance of $109.7 billion as recorded in the September 2022 audited financial statements. This increase is primarily the result of a $22 billion growth in pledged assets.

Pledged Assets and Marketable Securities:

Pledged assets and marketable securities, combined, grew by $20.2 billion or 23%, moving to $106 billion to account for 82% of the Company's balance sheet. These lines represent substantially the Company's securities portfolio, which is largely comprised of credit assets to including local, regional & international government and corporate bonds.

Loans:

Barita's exposures to loans increased by $521 million or 5% to $11.1 billion. Barita's loans are largely comprised of secured credit facilities, including margin loans, which are extended to our clients.

Liabilities:

Total Liabilities:

To partially fund the increase in total assets, we grew our total liabilities during FY2023 by $15.7 billion (20%) to $93.2 billion.

- ***Repurchase Agreements (repos):***
  The Company's funding from repos rose by $16.9 billion or 28% to $76.5 billion, and was 82% of the Company's liabilities at the end of FY2023.
- ***Secured investment notes:***
  Funding from these notes decreased from $11.2 billion to $5.9 billion (by 4.7%) and now represent 6% of the company's total liabilities.
- ***Other Debt Facilities:***
  Other debt facilities amounted to $8.3 billion or 9% of the Company's liabilities and include bonds issued and margin loans.

Shareholder's Equity

A $3.3 billion increase in retained earnings drove the outturn in shareholders' equity, which closed the period at $35.5 billion, 10% higher than in FY2022. Our capital levels therefore remained robust, with capital adequacy of 29.1%, just under three times the regulatory minimum ratio of 10.0%. The capital adequacy of the Company remains resilient even under severe stress tests conducted by the Group's Risk Management division.

Investment Strategy & Capital Management: Our Outlook

In September, S&P upgraded Jamaica's credit rating to "BB-"from "B+" with a stable outlook; Moody's followed in October with an upgrade from "B2" to "B1" with a positive outlook. In August, the IMF released its first review of Jamaica's performance under the "Precautionary and Liquidity Line and Resilience and Sustainability Facility with Jamaica"; similar to Moody's and S&P, the IMF expressed positive sentiments about Jamaica's current trajectory. Of note, the IMF underscored the following points:

"

1. Entrenched macroeconomics stability and sound policy frameworks are helping Jamaica navigate a complex global environment.
2. Strong GDP growth continued during FY2022/23
3. Inflation has fallen to the upper bound of the BOJ's target band.
4. The current account deficit is estimated at close to 0.3 percent of GDP in FY2022/23
5. The public debt has continued to fall fast.
6. The financial system remains well capitalized and liquid "

So, overall, the local economy remains robust. Similarly, the IMF, in its July update to the World Economic Outlook (WEO), expects Global economic growth of 3.0% in 2023 and 2024, an upward revision for 2023 from the April 2023 version of their report. This attrition is attributed to more resilient growth than was previously anticipated in the US. We are warned, however, that these growth forecasts remain below historical growth levels, which is to say, we are still in a period of below-average economic growth. An uncertain macroeconomic backdrop together with a sustained period of tight monetary policy have prevailed for the entire financial year, providing the context for interpreting our financial results. In light of this, it is important to emphasize our deliberate strategy of building a strong foundation for Barita to unlock and sustain significant value over the medium to long run. This involves dedicated efforts to expand our alternative investment platform, particularly our real estate thrust. Consequently, we maintain our guidance that as we advance our local and international partnerships, the economics emanating from the real estate holdings will evolve from current revaluation gains towards realised cash-based revenues following the financing, development, and sale of the various real estate development projects over the next three to seven years.

While upholding prudent levels of capital and robust internal governance and compliance systems, the upcoming financial year will see strategic adjustments as the business cycle appears to be entering a new phase. Key tactical shifts will include efforts to optimise Barita's balance sheet for immediate opportunities, a sustained effort to expand non-interest income, and positioning to arrest the trajectory in net interest income as the interest rate hiking cycle begins to change.

Risk, Compliance & Governance

Governance and Compliance

Barita, CTMB, and Cornerstone remain committed to reinforcing their Governance and Compliance programmes to protect the business and to ensure adherence with applicable laws, regulations, guidance notes, policies, and best practice standards of sound governance.

Since 2015, the Cornerstone Board and shareholders have established a strong governance framework and ethos. This framework ensures that our senior officers consistently uphold the highest levels of prudence, integrity, and ethical standards in operating Cornerstone and its portfolio companies. The Board has instituted various reinforcement mechanisms, including the training of its directors and senior officers, to ensure the maintenance of these best practice standards, which has been a catalyst for our success over the years.

Under the company's Anti-Money Laundering/Countering the Financing of Terrorism and Proliferation ("AML/CFTP") framework the Board is provided with a quarterly compliance report outlining the company's adherence to regulatory and statutory obligations/requirements. The Board also receives updates on the status of the company's compliance programme to ensure full awareness of the money laundering and terrorist financing risks faced by the institution and the effectiveness of the measures implemented to address these risks. We have strengthened our AML/CFTP Policy to reflect material changes in The Proceeds of Crime Act and Regulations and stronger internal controls to mitigate possible risks. Our Board remains confident in the company's institutional framework that ensures appropriate steps are taken to address any emerging compliance issues. Independent examinations/audits conducted during the period provided additional assurance, identifying no significant issues. The Board and Management have further refined the compliance framework to include

1. developing the company's regulatory library;
2. developing the company's AML/CFTP risk assessment;
3. strengthening the company's policies and procedures framework;
4. facilitating independent testing of our compliance programme and adequately addressing any gaps identified; and
5. training of all team members and directors based on key responsibilities and functions on The Proceeds of Crime Act, the Jamaica Stock Exchange Rules, and 'Know Your Client' requirements.

Risk Management

BIL's risk governance is a critical component in executing Barita's investment ethos and business operations. Our controls are meticulously designed to be preventative and forward looking, aiming to minimize unexpected outcomes that could adversely impact our business strategy. Despite challenges in the wider market in FY 2022/23 such as high inflation, rising interest rates, and tight liquidity conditions, our risk management framework remained fully operational as we navigated market uncertainties. Notwithstanding, BIL stands resolute and remains one of the strongest players in the financial sector boosting a capital adequacy ratio almost 3 times the regulatory 10% minimum. Our unwavering strength and resilience position us to continue making significant contributions to the industry's stability and the nation-building process.

Our capital and liquidity risk architecture are built on a robust limit structure, reinforced by frequent and proactive stress testing and risk reporting. The limit framework is designed in a "fit for purpose" manner that carefully identifies, measures and assesses key risks. Our risk framework is underpinned by the Three Lines of Defence model, fostering a culture of accountability and governance which is permeated throughout all levels of the organisation. To ensure the robustness and comprehensiveness of our policies and procedures, we engaged reputable audit firms, KPMG and Ernst & Young ("EY") to assist in crafting our policies and procedures. Barita's enterprise risk management framework is supported by a periodic enterprise-wide risk assessment process where management proactively and continuously identifies risk drivers and identifies key opportunities to improve our risk posture.

Significant emphasis is also placed on independent checkpoints integrated into our operational and governance processes. The internal controls and internal governance tone are cascaded top-down, from the Board to senior management, internal management committees and across all facets of the operations. All employees are subject to the standards outlined in our Code of Conduct. Additionally, Barita has been very deliberate in recruiting strong and experienced individuals in key leadership and governance roles.

A key foundation for a resilient and robust company that transcends multiple generations is effective and strong internal controls and risk discipline. This forms a core element of our strategy and will remain a key focus as we enhance the business's value while ensuring the safety of all key stakeholders.

Investing in the Human Capital of our People

During the quarter, the Barita Foundation continued to execute on its mandate of supporting the development of the core elements of human capital to improve the individual and collective outcomes of the most vulnerable in our society.

The 2023 Barita Foundation Scholarship Programme was launched in the Gleaner's scholarship supplement in May 2023. This second annual scholarship programme invited applications from students pursuing studies at secondary and tertiary institutions, competing for five scholarships. These scholarships included the Primary Exit Profile (PEP) scholarship; the CSEC/CAPE scholarship; the Tertiary scholarship; the Rita Humphries Lewin Early Childhood Education scholarship; and the Cornerstone/Barita Staff scholarship. The season was busier than last year, with 215 submissions, ultimately shortlisting 78 candidates for final selection.

On Friday, September 1, 2023, the Foundation awarded 30 scholarships and 11 bursaries to recipients representing students at the PEP, CAPE, Tertiary (general), and Tertiary (early childhood studies) levels. Subsequently, through a partnership with the Governor-General's Programme of Excellence, two additional scholarships were awarded to participating Summer of Service Students. At the end of the year, the Foundation disbursed 45 awards: 34 scholarships and 11 bursaries, comprising cash for tuition, examination fees and book vouchers. This year's awardees came from a wide cross-section of parishes in Jamaica, pursuing studies from as far east as Portland at the College of Agriculture, Science, and Education and as far West as Hanover at Rusea's High School.

The Foundation's flagship scholarship, established to honour the founder of Barita Investments Mrs. Rita Humphries-Lewin, was once again awarded to four persons pursuing degrees in early childhood education and guidance and counselling, two of whom are repeat scholars.

The MICO Care Centre's clinicians successfully completed the ADOS training sponsored by the Barita Foundation. Ten clinicians consisting of six (6) psychologists and four (4) special educators, underwent the three-day programme. This initiative has provided valuable exposure to the clinicians, enhancing their capabilities as they work to improve the services offered at the Centre. This will strengthen their ability to support families with children facing exceptional learning needs.

The clinicians at the MICO Care Centre have successfully completed ADOS training, sponsored by the Barita Foundation. Ten clinicians, consisting of six psychologists and four special educators, underwent the three-day training program. This initiative has provided valuable exposure to the clinicians, enhancing their capabilities as they work to improve the services offered at the Centre. This development will bolster their ability to support families with children facing exceptional learning needs.

Measuring the impact of the Foundation's outreach and interventions continue to feature prominently as a key deliverable. Prioritising investments in monitoring, evaluation, and learning, the team is committed not only to delivering effective output but also to assessing and measuring the impact of their work. In aligning with the company's move toward adopting an agile environment and a social and governance ESG framework, the Foundation has actively advanced internal dialogue on these measurements during the final quarter of the financial year.

In collaboration with PACE Canada, the Foundation enhanced its fundraising efforts through a campaign to raise funds via a GoFundMe page which was boosted to garner support digitally. This initiative marks a second effort by PACE Canada, a Canadian-based nongovernmental organisation, to provide specialised learning devices for 1000 early childhood learners. These solar-powered devices, preprogrammed and internet-free, are sustainable and transferable, designed to be passed down from one year group to the next.

Financial literacy sessions remains a consistent activity for the Foundation, benefitting eighty-one persons through presentations over the period. The Foundation's partnership with the Planning Institute of Jamaica and the Social Development Commission exposed more entrepreneurs to the rudiments of operating a small business and accessing funding for their ventures. Students and youth at-risk were also included among the beneficiaries of these sessions.

Looking ahead, the Foundation plans to focus on contributing to causes and initiatives aligning with its mandate. The insights gained from the Monitoring, Evaluation, and Learning (MEL) process will inform funding and engagement decisions in the upcoming period.

Closing Remarks

We have consistently been communicating and executing our strategic vision, a commitment clearly reflected in the tangible results we have achieved. While the macroeconomic environment remains challenging, our staunch focus on maintaining strong capitalisation and our persistent efforts in building liquidity instill a deep confidence that positions us to not only weather challenges but thrive under various market conditions.

The anchor of our continued success has been the enduring confidence and trust reposed in us by our stakeholders, the key underpinning of which has been the exceptional and remarkable talents of the Barita team. Together, we will continue to navigate any challenge and embrace opportunities, unyielding in our pursuit of excellence and sustained growth.

Mark Myers

Chairman

November 16, 2023

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Profit & Loss Statement As At September 30, 2023

	UNAUDITED 3 Months Ended September 30, 2023 $'000	UNAUDITED 3 Months Ended September 30, 2022 $'000	UNAUDITED 12 Months Ended September 30, 2023 $'000	AUDITED 12 Months Ended September 30, 2022 $'000
Net interest income and other revenue				
Net interest income	**158,637**	**284,597**	**581,191**	**1,672,170**
Fees and commission income	672,767	499,017	3,403,184	3,022,287
Foreign exchange trading and translation gains	173,101	188,651	604,319	791,514
Gain on investment activities (Note 3)	652,980	716,082	4,356,726	3,361,280
Other income	50,673	40,715	149,929	104,482
Net operating revenue	**1,708,158**	**1,729,061**	**9,095,349**	**8,951,733**
Operating expenses				
Staff costs	435,010	546,891	1,735,361	1,710,201
Administration	738,086	647,054	2,879,365	2,091,227
Impairment of financial assets	132,524	(88,772)	(3,972)	3,985
	1,305,620	**1,105,173**	**4,610,754**	**3,805,413**
Operating profit	**402,538**	**623,888**	**4,484,595**	**5,146,320**
Share of profit from associate	**26,422**	**20,872**	**95,028**	**96,167**
Profit before taxation	**428,960**	**644,760**	**4,579,623**	**5,242,488**
Taxation	(144,009)	(254,560)	(1,212,353)	(1,021,226)
NET PROFIT FOR THE PERIOD	**284,952**	**390,200**	**3,367,270**	**4,221,262**
Average number of shares	1,197,814	1,220,388	1,198,081	1,220,388
Earnings per stock unit	0.24	0.32	2.81	3.46

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Statement of Financial Position
As At September 30, 2023

	Unaudited September 2023 $'000	Audited September 2022 $'000
ASSETS		
Cash and bank balances	1,931,672	1,027,765
Securities purchased under resale agreements	564,013	2,608,878
Marketable securities	22,330,052	24,285,629
Pledged assets	83,717,008	61,603,598
Investment in associate	2,281,723	2,186,695
Loans	11,127,098	10,606,593
Receivables	3,327,271	3,101,644
Taxation recoverable	845,962	479,552
Due from related parties	649,670	938,835
Property, plant and equipment	1,168,136	1,207,854
Intangible assets	21,501	14,777
Investments	55,000	55,000
Right of use asset	253,308	231,882
Deferred tax asset	381,338	1,351,993
Total Assets	**128,653,752**	**109,700,695**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Bank overdraft	38,513	11,587
Securities sold under repurchase agreements	76,546,630	59,653,515
Secured investment notes	5,940,517	11,204,694
Other debt facilities	8,301,050	671,610
Lease liability	309,557	287,207
Payables	1,864,606	2,599,844
Dividend payable	-	3,026,563
Due to related parties	174,552	62,197
Total Liabilities	**93,175,425**	**77,517,217**
Shareholders' Equity		
Share capital	32,818,255	32,389,351
Capital reserve	189,655	148,655
Fair value reserve	(4,414,103)	(4,068,759)
Capital redemption reserve	220,127	220,127
Stock option reserve	22,300	186,284
Retained earnings	6,642,093	3,307,820
Total shareholders' equity	**35,478,327**	**32,183,478**
Total liabilities and shareholders' equity	**128,653,752**	**109,700,695**

Mark Myers Chairman

Carl Domville Director

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Statement of Changes In Equity For the Twelve Months Ended As At September 30, 2023

	Share Capital $'000	Capital Reserve $'000	Fair Value Reserve $'000	Capital Redemption Reserve $'000	Stock Option Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 September 2021	**33,135,904**	**122,073**	**(256,512)**	**220,127**	**86,800**	**2,937,924**	**36,246,316**
TOTAL COMPREHENSIVE INCOME							
Net profit for the period						4,221,262	4,221,262
Other comprehensive income	-	26,582	(3,812,247)		-	10,651	(3,775,014)
Total comprehensive income for the period	**-**	**26,582**	**(3,812,247)**	**-**	**-**	**4,231,913**	**446,248**
TRANSACTIONS WITH OWNERS							
Treasury Shares purchased	(994,852)	-	-	-	-	-	(994,852)
Treasury Shares sold	248,299	-	-	-	-	-	248,299
Employee share options	-	-	-	-	99,484	(43,122)	56,362
Ordinary dividends paid	-	-	-	-	-	(792,332)	(792,332)
Proposed dividend	-	-	-	-	-	(3,026,563)	(3,026,563)
Balance at 30 September 2022	**32,389,351**	**148,655**	**(4,068,759)**	**220,127**	**186,284**	**3,307,820**	**32,183,478**
TOTAL COMPREHENSIVE INCOME							
Net profit for the period						3,367,270	3,367,270
Other comprehensive income		41,000	(345,344)		(163,984)	(32,997)	(501,325)
Total Comprehensive Income for the period	**-**	**41,000**	**(345,344)**	**-**	**(163,984)**	**3,334,273**	**2,865,945**
TRANSACTIONS WITH OWNERS							
Treasury Shares purchased	(159,863)	-	-	-		-	(159,863)
Treasury Shares sold	588,766	-	-	-		-	588,766
	428,904	**-**	**-**	**-**	**-**	**-**	**428,904**
Balance at 30 September 2023	**32,818,255**	**189,655**	**(4,414,103)**	**220,127**	**22,300**	**6,642,093**	**35,478,327**

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STATEMENT OF

**Comphrensive Income
For the Twelve Months Ended
As At September 30, 2023**

	UNAUDITED 3 Months Ended September 30, 2023 $,000	UNAUDITED 3 Months Ended September 30, 2022 $,000	UNAUDITED 12 Months Ended September 30, 2023 $,000	AUDITED 12 Months Ended September 30, 2022 $,000
Net Profit for period	284,952	390,200	3,367,270	4,221,262
Unrealised losses on FVOCI securities -	(312,832)	(1,689,843)	(345,344)	(3,801,596)
Other reserves	(80,791)	28,875	(155,981)	26,582
Total comprehensive income	**(108,672)**	**(1,270,768)**	**2,865,945**	**446,248**

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Statement of Cash Flows
As At September 30, 2023

	Unaudited 12 Months Ended September 30, 2023	Audited 12 Months Ended September 30, 2022
Cash Flows from Operating Activities	**$'000**	**$'000**
Net Profit for the Period	3,367,270	4,221,262
Adjusted for:		
Depreciation and amortisation	127,591	118,268
Effect of exchange gain on foreign balances	(342,584)	(741,759)
Impairment/expected credit losses (ECL)	(3,972)	3,985
Unrealised gain on investment FVTPL	(3,997,462)	(2,661,235)
Interest income	(6,158,644)	(4,336,758)
Interest expense	5,577,453	2,664,588
Income tax expense	1,212,353	1,021,226
Lease liability interest expense	22,074	28,406
Right-of-use assets amortisation	44,730	40,478
Share of profit from associates	(95,028)	(96,167)
Stock Option Expense	189,054	153,164
Fair value gain on investment property	(10,800)	(4,200)
	(67,965)	411,258
Changes in operating assets and liabilities:		
Securities purchased under resale agreements	2,044,865	6,813,030
Securities sold under repurchase agreements	16,381,150	13,706,544
Secured investment notes	(5,297,640)	10,424,360
Receivables	378,618	(2,019,930)
Loans	(340,285)	(4,731,837)
Payables	(712,886)	377,607
Due from related companies	401,519	1,497,905
	12,787,376	26,478,937
Interest received	5,655,430	3,958,297
Interest paid	(4,990,502)	(2,312,847)
Lease payment	(44,409)	(53,903)
Income tax paid	114,871	(1,923,378)
Cash provided by operating activities	**13,522,766**	**26,147,106**
Cash Flows from Investing Activities		
Marketable securities	(17,561,056)	(24,089,596)
Investment in associates	-	(37,105)
Proceeds from disposal of property, plant and equipment	-	123,640
Purchase of property, plant and equipment, intangible	(116,024)	(182,102)
Cash provided by investing activities	**(17,677,080)**	**(24,185,163)**
Cash Flows from Financing Activities		
Ordinary dividends paid	(3,026,563)	(4,080,624)
Proceeds from other debt facilities	7,587,918	-
Treasury shares sold/(acquired)	428,904	(746,553)
Cash provided by financing activities	**4,990,259**	**(4,827,177)**
Effect of exchange rate on cash and cash equivalents	**41,037**	**73,721**
Increase/(decrease) in net cash and cash equivalents	876,982	(2,791,513)
Net cash and cash equivalents at beginning of year	1,016,178	3,807,691
Net cash and cash equivalents at end of period	**1,893,160**	**1,016,178**

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Notes to the Unaudited Financial Statements
September 30, 2023

1. Identification

Barita Investments Limited (Barita or the company) is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 15 St. Lucia Way, Kingston 5. The controlling party of the company is Cornerstone Financial Holdings Limited with a 75.16% ownership as at year end. The registered office of Cornerstone Financial Holdings is located at Suite I, Ground Floor, The Financial Services Centre, Bishop's Court Hill, Barbados.

The company is a licensed securities dealer, investment manager, pension administrator and Cambio operator and has primary dealer status from the Bank of Jamaica (BOJ). It is licensed under the Securities Act and regulated by the Financial Services Commission (FSC). The company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).

2. Statement of compliance and basis of preparation

Interim financial reporting

The condensed consolidated interim financial statements (interim financial statements) for the quarter ended September 30, 2023, have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They are also prepared in accordance with requirements of the Jamaican Companies Act.

The Group has adopted the following standards and amendments, which became effective during the current financial year:

Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also classify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the group.

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

Amendments to IFRS 3, 'Business combinations' (effective for accounting periods beginning on or after 1 January 2022). Minor amendments were made to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The adoption of these amendments is not expected to have a significant impact on the group.

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

3. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to September 30, 2023	Unaudited 3 Months to September 30, 2022	Unaudited 12 Months to September 30, 2023	Audited 12 Months to September 30, 2022
Gains on sales of investments	287,882	151,736	359,264	694,120
Fair Market Value Gains on Equity Portfolio	365,098	564,346	3,997,462	2,667,160
	652,980	716,082	4,356,726	3,361,280

4. Business Combination

The share of results of Associates reflected in these interim statements included estimates in the earnings of associate company for the period up to August 31, 2023.

5. Earning per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of $3,367,270,000 by the weighted average number of ordinary shares in issue during the period of 1,198,081,000 shares.

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Top Ten Largest Shareholders of Barita Investments Limited as at September 30, 2023

SHAREHOLDERS	TOTAL	PERCENTAGE
CORNERSTONE FINANCIAL HOLDINGS LTD.-BUYING A/C	917,296,174	75.1643%
FIRST CITIZENS INVESTMENT SERVICES LIMITED	90,795,154	7.4399%
RITA HUMPHRIES-LEWIN	26,319,240	2.1566%
CREDIT UNION FUND MANAGEMENT COMPANY LIMITED	17,127,519	1.4034%
CORNERSTONE GROUP EMPLOYEE SHARE TRUST	14,277,876	1.1699%
TWEEDSIDE HOLDINGS LIMITED	14,073,348	1.1532%
NATIONAL INSURANCE FUND	8,191,553	0.6712%
TREVOR HEAVEN HOLDINGS LIMITED	7,787,075	0.6381%
BARITA UNIT TRUSTS MANAGEMENT COMPANY LIMITED	6,274,458	0.5141%
KARL P. WRIGHT	6,217,218	0.5094%

Share Ownership by Directors of Barita Investments Limited as at September 30, 2023

DIRECTORS	TOTAL	DIRECT	CONNECTED PARTIES
MARK MYERS	2,316,302	2,316,302	0
PAUL SIMPSON	0	0	0
CARL DOMVILLE	2,061,344	2,316,302	0
DUNCAN STEWART	614,131	456,070	158,061
ROBERT DRUMMOND	423,560	423,560	0
JAMES GODFREY	6,000,000	0	6,000,000
PHILLIP LEE	3,161,072	3,161,072	0
JASON CHAMBERS	2,033,322	2,033,322	0

Share Ownership by Senior Managers of Barita Investments Limited as at September 30, 2023

SENIOR MANAGERS	TOTAL	DIRECT	CONNECTED PARTIES
DANE BRODBER	356,322	356,322	0
ANMARIE WALKER-CATO	47,395	47,395	0
SONIA OWENS	35,000	35,000	0
MALINDO WALLACE	408,589	408,589	0
RAMON SMALL-FERGUSON	715,886	715,886	0
TERISE KETTLE	40,676	40,676	0
SARA YING HENRIQUES	0	0	0
DAVE DIXON	0	0	0
IAN ANDERSON	50,000	50,000	0
SANCIA THOMPSON	0	0	0
GEOFFERY ROMANS	0	0	0
STEPHANIE STERLING	53,155	53,155	0
DIANNE CLUNIE-WALLACE	8,646	8,646	0