2022

PANJAM
INVESTMENT LIMITED

ANNUAL REPORT

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OUR VISION

To maximise our financial strength by unleashing the potential of our team members to create greater value for all: our customers, our shareholders, our team and our country.

FINANCIAL HIGHLIGHTS

$4.7B
Net profit attributable to owners

$51.8B
Total Stockholders' Equity

$4.46
Earnings Per Stock Unit

$67.4B
Total Assets

$48.63
Net Worth Per Stock Unit

$1.12
Dividend Per Stock Unit

10-Year Statistical Review

	2022	2021	2020
($'000)			
Stockholders' equity (net worth)	51,771,567	51,962,423	47,186,371
Total assets	67,417,951	67,774,534	62,571,278
Net profit attributable to owners	4,746,095	7,202,801	3,504,520
Dividends paid	1,194,099	1,066,160	405,140
Retained earnings	44,299,897	40,009,447	34,692,918
FINANCIAL RATIOS			
Net worth per stock unit	$48.63	$48.83	$44.47
Earnings per stock unit (basic)	$4.46	$6.78	$3.31
Dividends paid per stock unit	$1.12	$1.00	$0.38
Divdend payout ratio	25.1%	14.7%	11.5%
Weighted average number of stock units	1,064,394	1,062,113	1,060,107
Return on average equity	9.2%	14.5%	7.8%
Return on opening equity	9.1%	15.3%	8.2%
Change in stockholders' equity	-0.4%	10.1%	10.4%
Debt-to-equity ratio	27.0%	26.2%	29.0%
OTHER DATA			
Stock closing price at year end	$57.23	$64.85	$67.99
Price-to-earnings ratio	12.8	9.6	20.5
Stock price change from previous year	-11.8%	-4.6%	-32.3%
JSE market index at year end	355,897	396,156	395,615
Annual change in JSE Main Index	-10.2%	0.1%	-22.4%
Closing exchange rate J$:US$	$149.96	$153.92	$141.71
Annual Inflation rate	9.4%	7.3%	6.4%

2019	2018	2017	2016	2015	2014	2013
42,743,201	33,733,671	30,527,061	25,669,471	21,763,118	21,134,493	17,840,566
54,400,977	45,866,093	39,353,033	32,440,680	27,954,161	26,413,492	23,310,321
8,308,325	5,333,750	4,131,352	4,050,373	3,186,141	2,842,755	2,491,106
1,396,669	1,119,468	906,236	906,236	607,711	565,065	437,126
31,911,597	25,183,909	21,195,513	17,528,506	14,541,916	12,106,496	9,717,955
$40.36	$31.94	$29.03	$24.43	$20.75	$20.16	$17.06
$7.85	$5.06	$3.93	$3.86	$3.04	$2.71	$2.35
$1.31	$1.05	$0.85	$0.85	$0.57	$0.53	$0.41
16.7%	20.8%	21.6%	22.0%	18.8%	19.6%	17.5%
1,058,086	1,053,423	1,051,474	1,050,219	1,048,940	1,049,105	1,061,065
21.7%	16.6%	14.7%	17.1%	14.9%	14.6%	14.5%
24.6%	17.5%	16.1%	18.6%	15.1%	15.9%	15.2%
26.7%	10.5%	18.9%	17.9%	3.0%	18.5%	8.6%
22.0%	31.3%	24.5%	20.2%	23.9%	20.8%	25.5%
$100.50	$71.99	$44.75	$27.95	$18.80	$11.79	$10.80
12.8	14.2	11.4	7.2	6.2	4.4	4.6
39.6%	60.9%	60.1%	48.7%	59.4%	9.2%	-6.1%
509,916	379,791	288,382	192,276	150,692	76,353	80,634
34.3%	31.7%	50.0%	27.6%	97.4%	-5.3%	-12.5%
$131.18	$126.80	$124.30	$127.96	$120.03	$114.39	$105.72
6.2%	2.4%	5.2%	1.7%	3.7%	6.4%	9.5%

Notice of Annual General Meeting

Notice is hereby given that the Fifty Ninth Annual General Meeting of PanJam Investment Limited will be held at **The ROK Hotel, Downtown Kingston** on Thursday 8 June 2023 at **3:00 p.m.** for the following purposes:

1. **To receive the Audited Financial Statements for the year ended 31 December 2022, and the Reports of the Directors and Auditors thereon.**

   To consider and (if thought fit) pass the following Resolution:

   "THAT the Audited Accounts for the year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon be and are hereby adopted."

2. **To approve the Dividend paid as final**

   To declare the interim dividends of $1.12 declared during the year, as final dividend for the year ended 31 December 2022.

   To consider and (if thought fit) pass the following Resolution:

   "THAT the interim dividends of 28.5 cents declared 28 February 2022, and paid 31 March 2022, Special dividend of 35 cents declared 28 February 2022 and paid 28 April 2022, 28.5 cents declared 11 May 2022 and paid 16 June 2022, 10 cents declared 12 August 2022 and paid 22 September 2022 and 10 cents declared 11 November 2022 and paid 15 December 2022 making a total of $1.12 per stock unit be declared as final dividend for the year ended 31 December 2022."

3. **To elect Directors**

   3.1 The Directors retiring by rotation pursuant to Article 89 of the Articles of Incorporation are Mr. Ian Parsard and Ms. Angella Rainford who being eligible offer themselves for re-election.

   To consider and (if thought fit) pass the following Resolutions:

   (a) "THAT the retiring Director Mr. Ian S. C. Parsard be re-elected a Director of the Company."

   (b) "THAT the retiring Director Ms. Angella M. Rainford be re-elected a Director of the Company"

   3.2 Pursuant to Article 95 of the Articles of Incorporation, Messrs. Charles H. Johnston, Jeffrey McG. Hall and Alan Buckland were appointed to the Board of Directors since the last annual general meeting and retire at this annual general meeting. Being eligible they offer themselves for election.

   To consider and (if thought fit) pass the following resolutions:

   (c) "THAT the retiring Director Mr. Charles H. Johnston be elected a Director of the Company"

   (d) "THAT the retiring Director Mr. Jeffrey McG. Hall be elected a Director of the Company"

   (e) "THAT the retiring Director Mr. Alan Buckland be elected a Director of the Company

4. **To confirm the remuneration of the Non-Executive Directors.**

   To consider and (if thought fit) pass the following Resolution:

   "THAT the amount of $16,513,000 shown in the Accounts for the year ended 31 December 2022 for Non-Executive Directors' fees be and is hereby approved."

5. **To fix the remuneration of the Auditors or to determine the manner in which such remuneration is to be fixed.**

   To consider and (if thought fit) pass the following Resolution:

   "THAT the remuneration of the Auditors, PricewaterhouseCoopers, who have signified their willingness to continue in office, be fixed by the Directors."

By order of the Board,

Gene M. Douglas
Secretary
Kingston, Jamaica
3 April 2023

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more proxies to attend and on a poll to vote instead of him. Such proxy must be lodged at the Company's Registered Office not less than forty-eight hours before the meeting. A proxy need not be a member. A suitable form of proxy is enclosed.

PLEASE complete and submit to:

The Registrar, Sagicor Bank, Group Legal Trust & Corporate Services, Ground Floor, 28-48 Barbados Avenue, Kingston 5.

Report of the Directors

The Directors herewith submit their Report and the Audited Financial Statements for the year ended 31 December 2022.

	$'000
The Group profit before taxation was	4,373,228
Taxation amounted to	420,625
Making Group profit after taxation	4,793,853
The share of non-controlling interest in the results of subsidiaries was	(47,758)
Making the profit attributable to stockholders	4,746,095
To be added to retained earnings brought forward from last year	40,009,447
Making a total of	44,755,542
Dividends paid amounted to	(1,191,984)
and there were adjustments to retained earnings in respect of	
transfer to property revaluation reserves	(427,929)
transfer from investment and other reserves	772,192
post-employment benefit obligations, net of taxation	392,076
Leaving retained earnings to be carried forward to the next year of	44,299,897

Directors

The Directors retiring by rotation pursuant to Article 89 of the Articles of Incorporation are Mr. Ian S. C. Parsard and Ms. Angella M. Rainford, who being eligible offer themselves for re-election.

At the end of December 2022, the Board of Directors comprised:

Stephen B. Facey, CD, BA, M. Arch.
Executive Chairman

Joanna A. Banks BSc., MBA, CFA
Chief Executive Officer

Christopher N. Barnes, BS Mech.Eng., MBA

Paul A. B. Facey, BSc., MBA

Paul R. Hanworth, BA, MA, FCA, CPA

Kathleen A. J. Moss, BSc., MBA, CBV

Ian S. C. Parsard, BSc., MBA, ACCA

T. Matthew W. Pragnell, BA

Angella M. Rainford BA, MPhil, MBA

Dividends

The Directors have recommended that the interim dividends declared/paid to stockholders during the year amounting to $1.12 be declared as final dividend for the year ended 31 December 2022.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office in accordance with Sections 153 and 154 of the Companies Act.

On behalf of the Board

Gene M. Douglas
Secretary
Kingston, Jamaica
19 March 2022

Our strategy of maintaining significant positions in Jamaican assets remains appropriate and relevant, as shown across all three of our strategic pillars: strategic equity, tradeable securities and real estate.

Stephen B. Facey | CHAIRMAN
Joanna A. Banks | CEO

The Chairman and CEO's Statement

We are pleased to report that PanJam Investment Limited (PanJam) experienced a truly transformational year in 2022.

Despite the challenges presented by the global economic environment, we navigated through the headwinds and continued to build a robust business model. Our unwavering commitment to our strategic objectives has allowed us to maintain a strong balance sheet, while investing in new growth opportunities that are aligned with our long-term vision.

In 2022, net profit attributable to owners amounted to $4.7 billion, equivalent to $4.46 per stock unit, from which dividends of $1.12 per stock unit were declared.

Continued market volatility only emphasized the importance of a long-term view and unwavering patience when deploying capital. Our balance sheet highlights the benefits of this approach. As at 31 December 2022, our debt-to-equity ratio was 27%, and we held a portfolio of cash and securities of $12.0 billion. Stockholders' equity stood at $51.8 billion, relatively flat when compared to 2021.

Our strategy of maintaining significant positions in Jamaican assets remains appropriate and relevant, as shown across all three of our strategic pillars: strategic equity, tradeable securities and real estate. Sagicor Group Jamaica Limited (Sagicor), our largest investment, recorded net profit attributable to stockholders of $16.4 billion, a 5.8% decrease compared to 2021. Our trading securities portfolio declined in value, consistent with a downturn in the global markets. Our real estate continued to provide a strong base for investment, with our property segment's income increasing by 14.3% on a year-over-year basis.

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. New Castle has certainly carved a niche for itself in the specialty food space. While we expect the company to continue on its growth trajectory, PanJam's investment objectives have been met.

REAL ESTATE

On 19 July 2022, we opened the ROK Hotel, Tapestry Collection by Hilton, located at the corner of King Street and Ocean Boulevard in Downtown Kingston. During the year, the hotel exceeded our initial expectations for its performance. However, as a new entrant in the market, its ramp-up phase resulted in one-off expenses; we expect normalized expenses to be lower.

We also completed construction of the ROK Residences at the end of 2022. Sales of the units are progressing well and handover to purchasers will begin in the second quarter of 2023.

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 potential and a global reach.

The Chairman and CEO's Statement Cont'd

Given our strong liquidity position as well as access to additional financing and our ability to hold securities for the medium to long term, we have not deviated from our strategy of investing in excellent companies.

We continue significant upgrade work on the Scotia Centre building also in Downtown Kingston. Modernisation of the space is aligned with our well-known commitment to the rejuvenation of the Kingston Waterfront, and represents our intention to upgrade many of our legacy assets.

Our investments, Aloft Miami Airport Hotel and the Courtyard by Marriott Kingston, saw ongoing improvements in occupancy in 2022. As there has been a widespread uplift in international travel and tourism, we expect a commensurate increase in returns on our hospitality assets over the next two to three years.

Our commercial and retail property management business, Jamaica Property Company Limited, has performed extremely well through all phases of COVID-19. Our properties continue to hold value, underpinned by our strong relationships with our tenants. Occupancy levels declined slightly as a result of planned lease termination.

INVESTMENTS AND ASSOCIATED COMPANIES

During 2022, we recorded investment losses of $0.8 billion, a substantial decrease relative to the $2.1 billion in income seen in 2021. These results are directly attributable to the market price movement of our holdings in companies listed on the Jamaican and North American stock exchanges. Given our strong liquidity position as well as access to additional financing and our ability to hold securities for the medium to long term, we have not deviated from our strategy of investing in excellent companies with capable management. We are confident that we have invested in well-managed, well-capitalised organisations that will help to drive our nation's growth.

Consistent with a difficult market environment, our associated companies had a challenging year, including New Castle which saw reduced earnings as a result of decreased sales in the U.S. market. Chukka Caribbean Adventures Limited, the regional leader in adventure tours, and Caribe Hospitality Jamaica Limited, operator of the Courtyard by Marriott Kingston, both continued to benefit from the relaxation of travel restrictions but remained unprofitable.

As noted previously, Sagicor reported net profit attributable to stockholders of $16.4 billion in 2022. The group's performance was boosted by improved results from its insurance and commercial banking segments. Its investment banking segment was significantly impacted by prevailing macroeconomic conditions which caused a reduction in business transactions.

OUTLOOK

We are mindful of our responsibilities as corporate citizens and nation builders. In a time when entrepreneurship will drive necessary innovation and growth, we continue to actively support the development of the local venture capital and private equity markets, primarily through our involvement in the First Angels Jamaica investor group.

Through the C.B. Facey Foundation, we contributed $5 million to Project STAR (Social Transformation and Renewal), a social and economic transformation initiative created by the Private Sector Organisation of Jamaica in partnership with the Jamaica Constabulary Force and driven by communities to bring about societal transformation through targeted interventions in under-resourced areas. We also installed a rooftop eco garden at the ROK Hotel in Downtown Kingston.

In addition to the many organisations and initiatives supported by the C.B. Facey Foundation, our longstanding interest in the development of the urban environment continues by way of our participation in, and support of, the New Kingston Civic Association and the Kingston Restoration Company.

Our recent experience in crisis has highlighted the need for confidence, collaboration and commitment, all of which are encapsulated in the long-term vision for your company:

1. We are confident in the resilience of the Jamaican economy and its people.
2. We know that recovery will be driven by collaboration amongst all stakeholders in both the public and private sectors.
3. We are committed to investing in companies that contribute to meaningful and sustainable economic growth.

We do expect some level of uncertainty to continue as geopolitical unrest and global inflation persist. Locally, the economic recovery has begun but we believe that it will be tempered by the Bank of Jamaica's steps to control inflation and currency devaluation through interest rates. In the United States, the investment climate is similar, with the Federal Reserve tightening its monetary policy.

Current and past administrations have shown a commitment to improving key fiscal metrics, setting the framework for business and investor confidence. For this, as well as for the ongoing management of this difficult situation, our leaders are to be commended.

We are extremely grateful to, and proud of, the PanJam and Jamaica Property teams. They have faced every challenge presented with steadfast dedication to the Company and each other. We also thank our Board and Senior Management Team for their counsel, leadership and engagement throughout the year.

BUSINESS COMBINATION

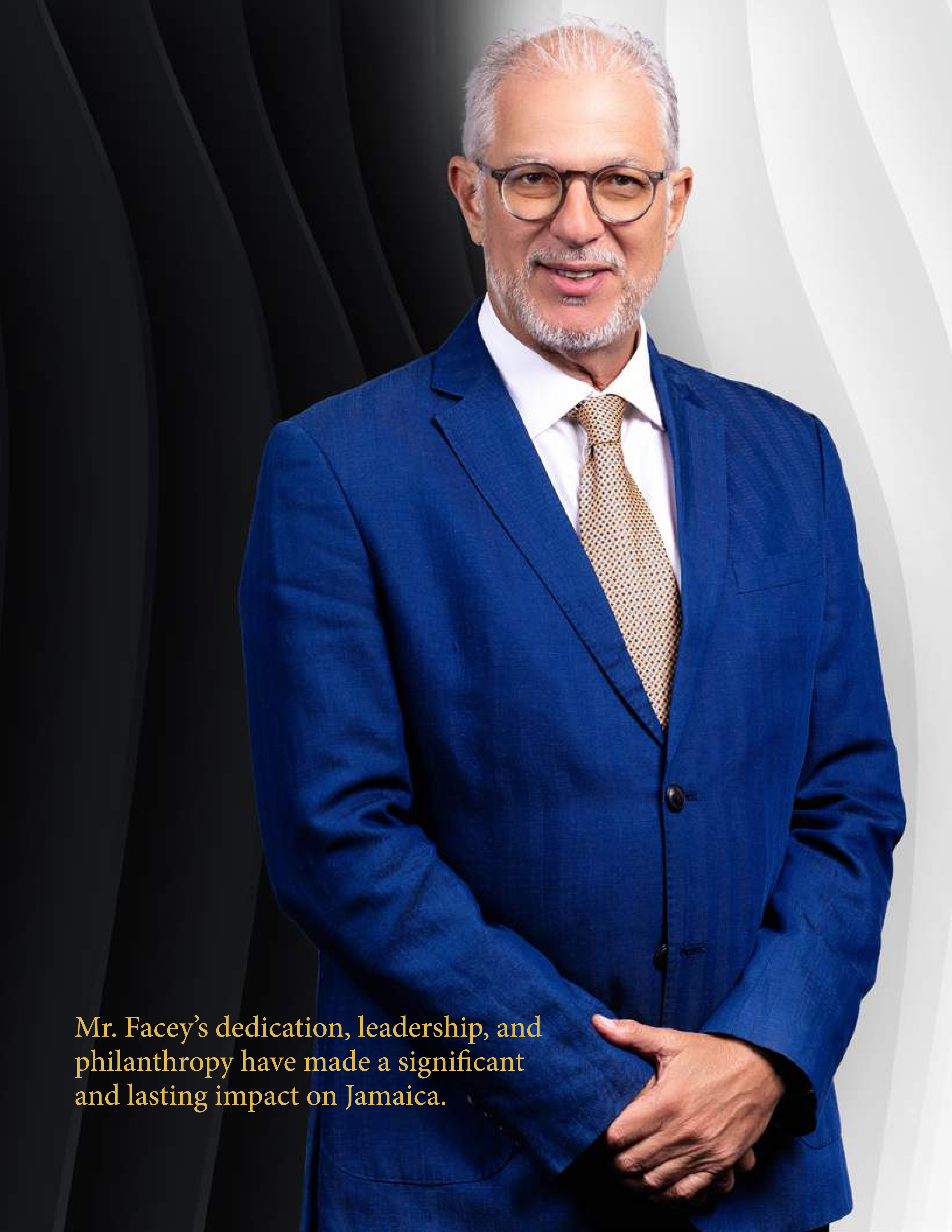
We are particularly proud of our ability to adapt quickly to changing market conditions and our agility in seizing new opportunities as they emerge. To that end, effective 1 April 2023, PanJam and Jamaica Producers Group Limited (Jamaica Producers) successfully completed the amalgamation process, which was approved by the shareholders of both companies on 22 December 2022. The amalgamation agreement between the two Jamaican conglomerates requires Jamaica Producers to transfer its material businesses to PanJam in exchange for Jamaica Producers receiving a 34.5% ownership stake in PanJam. PanJam will host the combined group of businesses, which will be called Pan Jamaica Group Limited (Pan Jamaica Group). Together, PanJam and Jamaica Producers will be a well-diversified investment holding company with exposure to 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.

We expect the 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 the Pan Jamaica Group.

Stephen B. Facey
Chairman

Joanna A. Banks
CEO

Locally, the economic recovery has begun but we believe that it will be tempered by the Bank of Jamaica's steps to control inflation and currency devaluation through interest rates.



Mr. Facey's dedication, leadership, and philanthropy have made a significant and lasting impact on Jamaica.

Honorary Citation

Stephen Brian Facey CD, BA, M. ARCH.

Stephen Brian Facey has played a key role in promoting economic growth in Jamaica through his exceptional contributions to asset investment, real estate development, urban planning, philanthropy, and the preservation of our cultural heritage.

He has dedicated his life to the development of his island-nation home through his visionary leadership and enduring altruism. Mr. Facey's contributions to the finance and real estate sectors in Jamaica have been instrumental in creating opportunities that have attracted both local and foreign investors. He has become a well-respected voice and was recognised with the investiture of the national Order of Distinction, in the rank of Commander (CD).

As Chairman of PanJam Investment Limited, Mr. Facey has led the company through a number of transactions that resulted in significant value creation for all stakeholders, most recently the company's amalgamation with Jamaica Producers Group Limited.

He is Chairman of Jamaica Property Company Limited, Kingston Restoration Company Limited, the New Kingston Civic Association, and the Caribbean Policy Research Institute (CaPRI). He is a Director of Sagicor Group Jamaica Limited, Sagicor Life Jamaica Limited and Sagicor Financial Company Limited.

While leading a well-diversified, Jamaican investment holding company and supporting multiple charities, Mr. Facey remains passionate about preserving Jamaica's historical legacy. He supports the National Gallery, a vital institution in presenting, promoting and preserving Jamaican culture through art.

Mr. Facey's vision for revitalising Downtown Kingston as an iconic and culturally relevant space is truly inspiring. His passion for urban development was brought to life through the innovative mixed-use facility ROK Residences and ROK Hotel Kingston, Tapestry Collection by Hilton, which emerged from the former Oceana Hotel.

In 2016, he led the design, development, construction and opening of the first new, internationally-flagged hotel in Kingston in 30 years – the Courtyard by Marriott Kingston, which is located across from the landmark Emancipation Park.

Mr. Facey's social investments have made a significant impact in Jamaica. He is the Chairman of the Cecil Boswell Facey Foundation, the charitable arm of PanJam Investment Limited, which supports local initiatives focused on education, the arts, and the the environment.

He also chairs the board of Jamaica Conservation Partners whose stated purpose is to support Jamaica-based entities with long-term projects and programmes focused on environmental conservation and sustainable environmental development.

Mr. Facey's dedication, leadership, and philanthropy have made a significant and lasting impact on Jamaica. On behalf of the shareholders of PanJam Investment Limited and the people of Jamaica, we offer our sincere gratitude and appreciation for his exceptional contributions to the preservation, development, and growth of our country. We wish him continued success and happiness in his future endeavours.

Board of Directors

STEPHEN B. FACEY, CD, BA, M. Arch.
Executive Chairman

Mr. Stephen B. Facey has over 40 years of experience in architecture, real estate development and management, and private equity investing. An Architect by training, Mr. Facey holds a BA in architecture from Rice University and a M. Arch. From the University of Pennsylvania. He is Chairman of Jamaica Property Company Limited, Kingston Restoration Company, The New Kingston Civic Association and the C.B. Facey Foundation, the charitable arm of PanJam Investment Limited (PanJam). Mr. Facey is also the Chairman of the Caribbean Policy Research Institute. He is a Director of Sagicor Financial Company Limited, Sagicor Group Jamaica Limited, Sagicor Life Jamaica Limited, the National Gallery of Jamaica, Devon House Development Limited and a Member of the Council of the Institute of Jamaica.

In 2018 Mr Facey was conferred with the Honour of the Order of Distinction, Commander Class by the Government of Jamaica for outstanding contribution to Real Estate Development, Banking and Financial Insurance Sectors.

JOANNA A. BANKS, BSc., MBA, CFA
Chief Executive Officer

Ms. Joanna A. Banks joined PanJam's Board of Directors in 2021. She joined the Company in 2016 and held the roles of Vice President and then Senior Vice President of New Business Development and Strategy before her appointment to Chief Executive Officer in 2021. Prior to joining the PanJam team, Ms. Banks worked at Exxon Mobil Corporation and Pan Caribbean Financial Services Limited (now Sagicor Investments Jamaica Limited) in roles focused on corporate finance, investor relations, pension fund management and strategy. She earned a Bachelor of Science in Systems Engineering from the University of Pennsylvania and a Master of Business Administration from the University of Chicago Booth School of Business. She is also a holder of the Chartered Financial Analyst designation. Ms. Banks is a Director of Jamaica Property Company Limited, Sagicor Group Jamaica Limited, Sagicor Life Jamaica Limited, Sagicor Investments Jamaica Limited, Sagicor Bank Jamaica Limited, Agostini's Limited, Outsourcing Management Limited and Term Finance (Jamaica) Limited. She also serves as a Trustee of the C. B. Facey Foundation, the charitable arm of PanJam.

PAUL A. B. FACEY, BSc., MBA
Executive Vice President & Chief Investment Officer

Mr. Paul A. B. Facey joined PanJam's Board of Directors in 2006 and is currently an Executive Vice President and its Chief Investment Officer. He brings his substantial experience from PanJam's trading, manufacturing and financial operations developed over the past 20 years. Mr. Facey sits on the boards of Sagicor Group Jamaica, Sagicor Life Jamaica, and is Chairman of Sagicor Investments Cayman Limited. He is also a Trustee of the C.B. Facey Foundation.

PAUL R. HANWORTH, BA, MA, FCA, CPA

Mr. Paul R. Hanworth has been a Director of PanJam since 2013. He is also a Director of both Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited, for which he chairs the Group Risk Committee and is a member of the Audit Committee. Mr. Hanworth is also a Director and Audit Committee Chair of both British Caribbean Insurance Company Limited and Carreras Limited, as well as a Director of Rainforest Seafoods Limited and several of PanJam's affiliated companies. Prior to his 15-year career at PanJam, culminating with the role of Deputy Chief Executive Officer, Mr. Hanworth worked with ICD Group in Jamaica and both Diageo plc and KPMG in various countries. He holds a Master's degree in Classics from Cambridge University, and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the American Institute of Certified Public Accountants.

CHRISTOPHER N. BARNES, BS Mech. Eng., MBA

Mr. Christopher N. Barnes joined PanJam's Board of Directors in 2012. He is currently the Chief Strategy Officer of The RJRGLEANER Communications Group. A mechanical engineer with a graduate degree in finance and international business from Boston University and McGill University respectively, Mr. Barnes also serves on the boards of JN Life Insurance Company Limited, Radio Jamaica Limited and various other subsidiaries of the RJRGLEANER group. He is the Chairman of Media Association Jamaica and a Past President of the Inter-American Press Association.

Board of Directors Cont'd

KATHLEEN A. J. MOSS, BSc., MBA, CBV

Mrs. Kathleen A. J. Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates, an Independent advisory and business valuation firm that she established in 1993. She was appointed to PanJam's Board of Directors in 2010, and chairs the Audit and Nomination & Governance Committees. Mrs. Moss also serves on the boards of Assurance Brokers Jamaica, Jamaica Producers Group, Jamaica National Group, JN Bank, JN General Insurance Company and Kingston Wharves. She is the Chairman of JN Bank, and chairs the Audit Committee of Jamaica Producers and Kingston Wharves. She is also a Trustee of the Violence Prevention Alliance. Mrs. Moss is a member of the Canadian Institute of Chartered Business Valuators and a graduate of both the University of the West Indies and McGill University.

IAN S. C. PARSARD, BSc., MBA, ACCA

Mr. Ian S, C, Parsard is the Senior Vice President of Jamaica Broilers Group, a successful multi-national poultry company with vertically-integrated operations in Jamaica and the United States of America. With over 30 years of expertise in finance and information technology, Mr. Parsard continues to exercise his business acumen as a member of Jamaica Broilers' Executive Team in the development and execution of the company's strategic plan and was instrumental in its successful foray into the ethanol industries in 2007. He was appointed to the PanJam Board of Directors in 2011, serves as a Director on the board of Jamaica Broilers Group, is the Chairman of 138 Student Living Jamaica and assists with the Mustard Seed Agricultural Program. He is a Past President of the JBG Cooperative Credit Union, a past Jamaica Scholar (1985) and a Chartered Accountant. Mr. Parsard holds an MBA from the University of Pennsylvania's Wharton School of Business, graduating with highest honours as the Palmer Scholar.

T. MATTHEW W. PRAGNELL, BA, JP

Mr. T. Matthew W. Pragnell joined the PanJam's Board of Directors in 2009. He is formerly the Chief Executive Officer of the CGM Gallagher Group, the largest insurance broker and risk management group in the English-speaking Caribbean with operations in Jamaica, Antigua, Barbados, Cayman, Dominica, Grenada, St Kitts and Nevis, St. Lucia and St. Vincent. Mr. Pragnell originally trained as a Non-Marine Broker and Name at Lloyd's of London and also has experience in mergers and acquisitions. He is a founding Directors of Panacea Insurance Limited as well as Chairman of LPR Consulting Ltd (UK) and a Group Board Director for Gallagher Caribbean Group Limited (including chairing various subsidiaries across the region). He is also a director of various Captive Insurance Companies domiciled in St. Lucia. He is a Past President of the Jamaica Insurance Brokers Association and was active in the adoption of the Insurance Act in 2001. Mr. Pragnell chairs PanJam's Human Resources & Compensation Committee and sits on other Board committees. He also has Non-Executive Director experience in banking and public relations.

ANGELLA M. RAINFORD, BA, MPhil, MBA

Ms. Angela M. Rainford joined the PanJam's Board of Directors in 2020. She is the founder of Soleco Energy and Rekamniar Frontier Ventures. Soleco Energy provides distributed power solutions for large commercial and industrial clients, and Rekamniar co-developed one of the largest solar plants in the Caribbean and the largest in Jamaica. Prior to this, Ms. Rainford worked at Goldman Sachs in London and New York and began her career as a Business Analyst at McKinsey & Company. She is a Director of GK UK Foods and JN Money Services and served as a Director of GK Capital Management. Ms. Rainford is also a member of the Board of Trustees for the Caribbean Board of The Nature Conservancy. She has also served as an advisor to Helios Investment Partners, a private equity fund focused on investments in Africa. Ms. Rainford holds an MBA from Harvard Business School and an MPhil in Development Studies from the University of Cambridge. She also graduated with a BA in Government from Harvard College.

Board Charter & Corporate Governance

The guidelines were reviewed in November 2022 and the full Terms of Reference are available on the Company's website at www.panjam.com.

BOARD MISSION

Mission Statement

The PanJam Investment Limited (PanJam or the Company) Board of Directors represents the owners' interest in maintaining and growing a successful business, including optimising long-term financial returns and lowering cost of capital. The Board is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business.

The Board is responsible for determining that PanJam is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that Management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of Management's policies and decisions, including the execution of its strategies.

In addition to fulfilling its obligations for increased stockholder value and optimising long-term financial returns, the Board has a responsibility to ensure successful perpetuation of the business.

BOARD FUNCTIONS

Areas of Responsibility

The Board makes decisions, and reviews and approves key policies and decisions of the Company, particularly in relation to:

- Corporate governance;
- Compliance with laws, regulations and the Company's code of business conduct;
- Corporate citizenship, ethics and the environment;
- Strategy and operating plans;
- Business development, including major investments and disposals;
- Financing and treasury;
- Appointment or removal of Directors;
- Remuneration of Directors;
- Risk management;
- Financial reporting and audit;
- Succession planning for its Executive Chairman and other Senior Executives; and
- Pensions.

Specific Responsibilities for the Executive Chairman, Chief Executive Officer, Company Secretary and Directors

The Executive Chairman is principally responsible for the effective operation and chair of the Board, and for ensuring that information it receives is sufficient to make informed judgments. He/she also provides support to the Chief Executive Officer , particularly in relation to external affairs. He/she is also responsible for ensuring that new Directors receive appropriate training and induction into PanJam.

The Company Secretary is responsible for ensuring that Board processes and procedures are appropriately followed, by supporting effective decision making and governance. He/she is appointed by and can only be removed by the Board. All Directors have access to the Company Secretary's advice and services, and there is also a formal procedure for Directors to obtain independent professional advice in the course of their duties, if necessary, at the Company's expense.

Each Board Member is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board Meetings is a prerequisite; therefore, unless explicitly agreed upfront, a Director should not miss two (2) consecutive regular Board Meetings.

Because in-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions, Management is to allow direct involvement and review of operational activities. Similarly, Management also is to communicate to Board Members opportunities to interact in strategy and day-to-day business settings. Board Members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company via the Executive Chairman.

SELECTION & COMPOSITION OF THE BOARD

The Board is responsible for the oversight of the interest of all stakeholders on matters as outlined above. The composition of the Board should be such that these interests are best served and, therefore, the Directors require diversity in skills and characteristics.

Size of the Board

The Board will have seven (7) to ten (10) Directors of which at least 30% will be Independent Directors. Considering the size of the organisation and the environment in which it operates, the Board believes such numbers are adequate.

Executive and Non-Executive Directors

At any time, the number of Executive Directors should not exceed 50% of the total number of Directors.

Conflicts of Interest/Disclosure

Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the Jamaica Stock Exchange.

No Director should trade in the Company's shares during the period of one (1) month before the release of the quarterly financial statements and in the case of the audited accounts two (2) months prior to such release, or at any time that the Company has an embargo on trading. No trading should occur between the time a dividend is considered and the time in which that information is provided to the Jamaica Stock Exchange.

A Director who has an interest in the Company or in any transactions with the Company, which could create or appear to create a conflict of interest, must disclose such interests to the Company. These would include:

- Any interest in contracts or proposed contracts with the Company;
- Interest in a firm or charity that does business with the Company;
- Interest in securities held by the Company;
- Emoluments other than Board fees received from the Company; and
- Loans or guarantees granted by the Company to/for the Director.

Disclosure shall be made at the first opportunity at a Board Meeting in writing and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director shall then excuse himself/herself from the Board Meetings when the Board is deliberating over any such contract, and shall not vote on any such issue.

If a conflict exists and cannot be resolved, the Director should resign.

The disclosure of Director's interest shall include interests of his/her family and affiliates.

Election, Terms, Re-election and Retirement

Election, terms, re-election and retirement of each Board Member is conducted in line with the Articles of Incorporation of the Company, Articles 89 to 97, with the exception that each Board Member is to retire during the financial year when he/she reaches the age of 70 years, unless a special resolution of exemption to this rule is passed by members in a general meeting as recommended by the Board.

Board and Executive Compensation

The level of compensation of the Non-Executive Directors reflects the time commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The

Board Charter & Corporate Governance Cont'd

compensation is competitive and subject to regular review relative to what is paid in comparable situations elsewhere.

The Board will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

Director Orientation and Education

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices, and other key policies and practices through a review of background material and meetings with Senior Management.

The Board also recognises the importance of education for its Directors. It is the responsibility of the Board to advise the Non-Executive Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing director education programmes.

Access to Outside Advisors and Funds

The Company will make such funds available to the Board, and in particular the Non-Executive Directors, as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover costs associated with travel and the gathering of relevant information for the execution of their responsibilities.

Succession Planning

The Board will have full responsibility to ensure that the business is well managed at all times and that succession plans and potential candidates are identified for all Senior Executives, including the Executive Chairman.

Should the Executive Chairman, Chief Executive Officer, Chief Investment Officer, Chief Strategy Officer or Chief Financial Officer demit office due to an emergency, the Board will convene at the earliest possible time, or in any event not less than 48 hours after such an event, with a view to appointing an interim or permanent successor to such posts.

CODE OF CONDUCT

The Board expects all Directors, as well as officers and employees, to act ethically at all times and to adhere to all codes and policies, specifically including "The Code of Business Conduct" that describes the values of PanJam Investment Limited, namely:

- Respect and Dignity;
- Trust;
- Communication;
- Teamwork;
- Appreciation;
- Accessibility;
- Professionalism;
- Good Values;
- Strength;
- Compassion and Social Consciousness; and
- Group Pride.

The Board will not permit any waiver of any of these policies for any Director or Executive Officer.

Board Committees

The Board has established several Committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

Audit Committee

On behalf of the Board, the Audit Committee shall:

- Review the Company's annual and interim financial statements and related assumptions, and any accompanying reports or related policies and statements;
- Monitor and review the effectiveness of the Company's internal audit function;
- Monitor and review the External Auditor's independence, objectivity and effectiveness;
- Develop and implement policy on the engagement of the External Auditor to supply non-audit services;

- Approve the Company's risk management policy which defines the Company's risk appetite and level of risk tolerance; and
- Monitor the adequacy and effectiveness of the Company's systems of risk management and control.

The majority of members of the Audit Committee shall consist of Non-Executive Directors of the Company duly appointed by the Board. The Board shall also appoint the Chairman and Secretary of the Audit Committee. The Board Chairman shall not be a member of the Committee. The Committee shall consist of not less than three (3) members.

The Audit Committee shall meet at least four (4) times a year, within forty-five (45) days of the end of each quarter and at such other times as any member of the Committee or the External Auditor may request.

All financial statements and matters which are of significant import to the investing public shall be reviewed by the Audit Committee. The full Board will have responsibility and accountability for the final release of such information.

Investment & Risk Committee

The Investment & Risk Committee shall:

- Review the Company's investments, acquisitions and disposals;
- Meet at least four (4) times a year; and
- Comprise at least six (6) members of the Board with a mix of Independent and Non-Independent Directors.

Human Resources & Compensation Committee

The Human Resources & Compensation Committee shall:

- Review the performance of the Executive Directors and the Senior Management of the Company on at least an annual basis;
- Report its findings during a regular Board Meeting annually; and
- Comprise a majority of Non-Executive Directors.

Corporate Governance & Nomination Committee

The Corporate Governance & Nomination Committee comprises two (2) Non-Executive Directors and one (1) Executive Director. The Committee is responsible for keeping under review the composition of the Board and succession to it. It makes recommendations to the Board concerning appointments to the Board of Non-Executive Directors, having regard to the balance and structure of the Board and the required blend of skills and experience. The Committee has responsibility to:

- Nominate potential candidates and evaluate the suitability of those candidates for future Board membership;
- Propose suitable candidates to the Board for approval prior to approaching the candidate; and
- Approach the future candidate and, upon positive response, introduce the future Board Member to the Board.

The Board may call any ad hoc Committee, as it deems necessary. The Board will set out the rules under which such Committee governs at each occasion. All Committees, including those explicitly mentioned above, will be subject to the annual evaluation process, similar to what is applied to the Board itself.

MEETINGS

Frequency of Meetings

During each financial year, there will be a minimum of four (4) regular Board Meetings. Special Board Meetings may occur at such other times as any Member of the Board may request.

Selection of Agenda Items for Board Meetings

The Chairman and Company Secretary will establish the agenda for each Board Meeting. Each Board Member may suggest the inclusion of item(s) on the agenda.

Information important to the Board's understanding of the business will be distributed electronically and/or in writing to the Board before the Board Meetings. As a general rule, presentations on specific subjects should be sent to the Board Members sufficiently in advance to be adequately prepared for

Board Charter & Corporate Governance Cont'd

Board Meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

Additional Attendees to the Meeting

Furthermore, the Board encourages the Management to, where it assists the ability of the Board Members to execute their responsibilities, bring Managers into Board Meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are Managers with future potential that the Senior Management believes should be given exposure to the Board.

NON-EXECUTIVE DIRECTORS' REMUNERATION

	BOARD	AUDIT	INVESTMENT & RISK	HUMAN RESOURCES & COMPENSATION	CORPORATE GOVERNANCE
Chairman	$3,000,000	$1,000,000	$1,000,000	$550,000	$550,000
Members	$1,700,000	$650,000	$650,000	$450,000	$450,000

Executives who are employed by the Company or its subsidiary, and serve as a Director or member of a Sub-Committee, are not paid Directors' fees.

Please note that the directors' fees are paid on a quarterly basis. For the fourth quarter in the year the directors are issued with shares in lieu of cash at the same rate that employees are offered shares under the Employees Share Option Scheme. For the remaining three quarters the directors have the choice of taking shares or cash. The share price is fixed each year based on market price less a discount.

BOARD COMMITTEES

NAME	INVESTMENT & RISK	AUDIT	CORPORATE GOVERNANCE	HUMAN RESOURCES & COMPENSATION
Stephen B. Facey	Chairman		*	*
Kathleen A. J. Moss		Chairman	Chairman	
T. Matthew W. Pragnell	*			Chairman
Paul R. Hanworth	*			
Paul A. B. Facey				
Ian S. C. Parsard	*	*		*
Christopher N. Barnes		*	*	
Angella M. Rainford	*			
Joanna A. Banks				*

BOARD AND SUB-COMMITTEES - ATTENDANCE REGISTER 2022

Date of Appointment to Board	Name	Board Meetings	Audit	Corporate Governance	Investment & Risk	Human Resources & Compensation	Annual General Meeting and EGM
Number of Meetings Held		**7**	**4**	**3**	**4**	**3**	**2**
14-Aug-1991	Stephen B. Facey - Chairman (E)	7	-	3	4	3	2
11-Aug- 2021	Joanna A. Banks (E)	7	-	-	-	3	2
18-Dec-2012	Christopher N. Barnes (I)	7	3	3	-	-	2
10-Aug-2006	Paul A. B. Facey (E)	7	-	-	-	-	2
10-Apr-2013	Paul R. Hanworth (Ni)	7	-	-	4	-	2
12-Aug-2010	Kathleen A. J. Moss (I)	6/6	4	3	-	-	2
11-Aug-2011	Ian S. C. Parsard (I)	7	4	-	3	2	2
15-May-2009	T. Matthew W. Pragnell (I)	7	-	-	4	3	2
01-Apr-2020	Angella M. Rainford (I)	7	-	-	4	-	2

E = Executive I = Independent NI = Non-Independent

An Independent Director is defined as a person who:

a. Has not been employed by the Company or any subsidiary within the last two (2) years;
b. Has not been an employee or affiliate or our Internal/External Auditors within the last three (3) years;
c. Has not received any compensation other than Director or Committee fees within the last two (2) years;
d. Has not been employed by a company of which an Executive Director/Officer has been a Director within the last two (2) years; and
e. Is not a member of the immediate family of an Executive Director/Officer; immediate family being defined as spouse, parent, child or sibling, in law or anyone sharing the same home with any of the above.

ACTIVITIES OF THE BOARD SUB-COMMITTEES DURING 2022

COMMITTEE	ACTIVITIES
Corporate Governance *K. Moss ^C. Barnes *S. Facey	• Reviewed the Contracts Committee and Vendors' reports on a quarterly basis • Completed the application to the Jamaica Stock Exchange regarding the Corporate Governance Index • Reviewed PanJam's scores on the Jamaica Stock Exchange's (JSE) Corporate Governance Index; recommended amendments as required and reviewed Management's improvement plans • Conducted a Board Evaluation and Peer review • Recommended additional trustee to the Pan Jamaican Investment Trust and its Subsidiaries Pension Plan • Recommended that only independent directors serve as members of the ESOP Trust account • Recommended that a `Data Protection Policy based on the Act be developed. • Reviewed the of Motor Vehicle Policy to ensure compliance • Reviewed and recommended a successful candidate as Chief Strategy Officer • Reviewed succession planning for Corporate Secretary after retirement • Reviewed PanJam's 2021 annual report • Reviewed the Corporate Governance Charter with minor recommended changes and filed the Charter with the JSE. • Obtained confirmation that the Directors & Officers Liability insurance was in place • Obtained confirmation that there are no reports under our Whistle Blowing Policy or Anti-Sexual Harassment Policy • Corporate Social Responsibility – recommended and implemented external resources for training in Corporate Governance including (ESG)
Human Resources & Compensation *T. M. Pragnell *S. Facey *I. Parsard *J. Banks	• Reviewed report of independent consultant on value of stock options, and recommended annual awards of options and grants to Executives in accordance with the Long-Term Incentive Plan • Established targets for the annual Executive bonus and approved calculation of awards in accordance with the Annual Incentive Plan • Reviewed annual staff merit increase • Make recommendations regarding the Union Negotiations • Engaged independent consultant to assist with Executive Succession Planning and Accelerated Leadership Development Programme for certain Executives • Review and make recommendation for enhancement to the Pension Plan • Review of COVID-19 guidelines and obtain legal opinion regarding vaccination policy • Recommendation for job evaluation survey for non-executive team members
Audit *K. Moss *C. Barnes *I. Parsard	• Reviewed the annual audited financial statements with management and the external auditors, and recommended them to the Board for approval • Reviewed quarterly unaudited financial statements and recommended them to the Board for approval • Reviewed and approved the company's significant accounting policies, critical accounting judgements and key sources of estimation uncertainty • Reviewed communications to the Audit Committee from the external auditors and discussed audit plans, results of audit work, accounting policies, required disclosures, audit differences and any areas of internal control weakness • Reviewed and approved External Auditors 2022 audit plan • Reviewed external auditor internal control memoranda, and management responses and action plans • Reviewed proposed communications to the JSE and recommended them to the Board for approval • Reviewed financial covenants with lenders for compliance on a quarterly basis • Reviewed quarterly dividends proposed by Management and recommended them to the Board for approval • Approved internal audit plans and reviewed audit reports with Management's plans to correct noted control weaknesses • Reviewed significant proposed transactions, including the refinancing of $3 billion Senior Secured Bonds. • Reviewed the Fraud Policy and recommended same for approval to the Board of Directors • Reviewed Securities Trading Portfolio • Reviewed the External Auditors report with focus on ECL in relation to financial assets, investment securities, Investment properties. The uncorrected misstatements were below the threshold. • Reviewed the cyber security penetration testing report • Reviewed COVID-19 protocols including the lifting of restrictions • Engaged the External auditors on IFRS 17 - Insurance Contracts
Investment & Risk *S. Facey *T. M. Pragnell *P. Hanworth *I. Parsard *A. Rainford	• Reviewed securities trading portfolio, target asset allocation and significant changes • Introduced external personnel for discussion on Local and Global Markets • Discuss the securities trading portfolio and its impact in the local and international markets and the diversification of the portfolio into different industries • Discussed proposed investments with Executive Team for recommendation to the Board • Reviewed performance and plans of Associated Companies including disposal of assets • Reviewed progress of ongoing real estate developments. • Review areas to take advantage of investment opportunities • Review proposed Mergers & Acquisitions

Corporate Data

BOARD OF DIRECTORS

Stephen B. Facey, CD, BA, M. Arch.
Executive Chairman

Joanna A. Banks, BSc., MBA, CFA.
Chief Executive Officer

Christopher N. Barnes, BS Mech. Eng., MBA

Paul A. B. Facey, BSc., MBA

Paul R. Hanworth, BA, MA, FCA, CPA

Kathleen A. J. Moss, BSc., MBA, CBV

Ian S. C. Parsard, BSc., MBA, ACCA

T. Matthew W. Pragnell, BA

Angella M. Rainford, BA, MPhil, MBA

MANAGEMENT TEAM

Stephen B. Facey, CD, BA, M. Arch.
Executive Chairman

Joanna A. Banks, BSc., MBA, CFA
Chief Executive Officer

Paul A. B. Facey, BSc., MBA
Executive Vice President & Chief Investment Officer

Philip W. Armstrong, BSc.
Chief Strategy Officer

Karen L. Vaz, BA, CCM
Group Vice President - Human Resources & Information Technology

Eric G. Scott, FCA, FCCA, CPA, CIA
Chief Financial Officer

Camelia M. Nelson, MBA, FCA, FCCA
Assistant Vice President - Financial Reporting

Claudette A. Ashman-Ivey, FCA, FCCA, CTP
Group Treasury Manager

SUBSIDIARY

JAMAICA PROPERTY COMPANY

Sam C. Cooper, BBA
General Manager

Yasmin D. Gibson, MBA, FCA, FCCA
Financial Controller

Sonia T. Sykes, BSc.
Marketing Manager

SECRETARY

Gene M. Douglas, FCIS, MBA

REGISTERED OFFICE

60 Knutsford Boulevard
Kingston 5, Jamaica

REGISTRAR

Sagicor Bank Jamaica Limited
Group Legal Trust & Corporate Services
Sagicor Life Building
28-48 Barbados Avenue
Kingston 5, Jamaica

BANKERS

Sagicor Bank Jamaica Limited
National Commercial Bank Jamaica Limited
CIBC FirstCaribbean International Bank Limited

AUDITORS

PricewaterhouseCoopers

ATTORNEYS-AT-LAW

Patterson Mair Hamilton
Nunes Scholefield DeLeon & Company
Alton E. Morgan & Company
Hart Muirhead Fatta
MH&CO.

Group Structure

SUBSIDIARIES

INVESTMENT

Castleton Investments Limited
20 Micoud Street
Castries, St. Lucia

PJ-AL Corporation
West Plc., Suite 105,
174W Comstock Avenue
Winterpark, FL, USA

Portfolio Partners Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

Simcoe Investments Limited
One Welches, Welches
St. Thomas, Barbados

CAPTIVE INSURANCE

Panacea Insurance Limited
20 Micoud Street
Castries, St. Lucia

PROPERTY DEVELOPMENT, MANAGEMENT & RENTAL

Jamaica Property Company Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

Baywest Development Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

Downing Street (Caribbean Place) Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

Kingchurch Property Holdings Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

Knutsford Holdings Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

HOTEL MANAGEMENT

PanJam Hospitality Limited
60 Knutsford Boulevard
Kingstn 5, Jamaica

ROK Operating Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

ASSOCIATED COMPANIES

FINANCIAL SERVICES

Sagicor Group Jamaica Limited
28-48 Barbados Avenue
Kingston 5, Jamaica

Term Finance (Jamaica) Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

BUSINESS PROCESS OUTSOURCING

Outsourcing Management Limited
Hewanorra House, Trou Garnier Financial Centre
Castries, St. Lucia

International CX Limited
Hewanorra House, Trou Garnier Financial Centre
Castries, St. Lucia

TOURISM

Chukka Caribbean Adventures Limited
1st Floor Bourbon House, Bourbon Street
Castries, St. Lucia

HOTEL MANAGEMENT

Caribe Hospitality Jamaica Limited
60 Knutsford Boulevard
Kingston 5, Jamaica

OFFICE RENTAL

Williams Offices (Caribbean) Limited
Williams Industries Building, Cane Garden
St. Thomas, Barbados

Management Team

STEPHEN B. FACEY
Executive Chairman

Mr. Facey oversees the Board of Directors' activities, including the maintenance of the highest standards of corporate governance. He is responsible for ensuring business sustainability and profitability, thereby protecting the best interests of the Company and its shareholders. He also acts as a consultant to Chief Executive Officer on strategic decisions.

Additional details are included in his Director profile on page 14.

JOANNA A. BANKS
Chief Executive Officer

Ms. Banks is charged with the strategic and operational management of the Company, and is focused on growing the business through the acquisition of new assets and the management of our portfolio of equity and real estate investments.

Additional details are included in her Director profile on page 14.

Philip W. Armstrong
Chief Strategy Officer

Mr. Armstrong has responsibility for identifying opportunities and risks in the market, in addition to assisting the Chief Executive Officer with the creation of the firm's strategy and ensuring the consistency of the strategy across the organisation. Philip, a seasoned executive, joined PanJam in July 2022 bringing with him his extensive years of experience in developing and executing strategies that drive growth and success for organisation. He has a deep understanding of business analytics and is committed to delivering exceptional value to all stakeholders. Philip holds a BSc in Avionics Technology and has competed the Havard Business School's Advanced Management Program and the Harvard Business Analytics Program.

PAUL A. B. FACEY
Executive Vice President & Chief Investment Officer

Mr. Facey has oversight of, and is primarily accountable for, managing the Company's cash resources to meet liquidity needs, while monitoring investment risk. He is responsible for developing and implementing investment strategies to grow the Company's investment assets.

Additional details are included in his Director profile on page 15.

ERIC G. SCOTT
Senior Vice President & Chief Financial Officer

Mr. Scott is accountable for the financial and risk management operations of the Company. He has oversight of the financial planning process, which ensures that appropriate performance levels are planned, achieved and sustained. He is also responsible for financial reporting in accordance with regulatory requirements; implementation and assessment of management controls and other risk mitigation processes; as well as financial analysis, tax management, capital and operational budgeting, and capital structure, access and allocation.

Mr. Scott joined PanJam in December 2021, bringing over 20 years of experience in the areas of finance and accounting, with past leadership positions in the banking and retail sectors. He is a Fellow of the Institute of Chartered Accounts of Jamaica and the Association of Chartered Certified Accountants.

KAREN L. VAZ
Group Vice President – Human Resources & Information Technology

Mrs. Vaz is responsible for implementing human resource strategies aligned with the Company's objectives, while sustaining a culture of high performance. She also provides oversight to the information technology and administrative functions, including infrastructure and networks, data integrity and security, and staff safety.

Mrs. Vaz's career spans over 20 years in the financial services industry, with a number of leadership roles in the areas of human resources, information technology, project management and new product development. She has a wealth of experience in people management, working with large cross-functional teams, managing complex projects and workflow optimisation.

Mrs. Vaz holds a BA in Management Information Systems from the University of South Florida and is a Certified Continuity Manager.

SAM C. COOPER
General Manager – Jamaica Property Company

Mr. Cooper has oversight of the operations of Jamaica Property Company Limited, a wholly-owned subsidiary of PanJam that manages and operates its real estate. He is responsible for the strategic initiatives that enhance the performance of the Company's physical assets.

Mr. Cooper has worked with Jamaica Property for over 15 years in various capacities and has significant exposure to the real estate industry, including property and facility management, tenancy relations, and project and development management.

He holds a Bachelor's Degree in Business Administration and an Associate Degree in Automotive, Diesel and Industrial Technology.

CAMELIA M. NELSON
Assistant Vice President - Financial Reporting

Mrs. Nelson is responsible for of the completion of the Company's consolidated financial statements, budgeting, coordination of the annual audits, insurance of the company's assets and adherence to interim and year-end reporting requirements.

Mrs. Nelson has worked in a number of PanJam's subsidiaries and her accounting and finance experience span over 20 years in property, insurance and other financial services industries. Her knowledge and expertise create an excellent background for the support and guidance she provides to the Executive Management Team. She holds a Master degree in Business Administration and is a Fellow of the Institute of Chartered Accounts of Jamaica and the Association of Chartered Certified Accountants.

CLAUDETTE A. ASHMAN-IVEY
Group Treasury Manager

Mrs. Ashman-Ivey manages and maintains the Company's investment and loan portfolios. Additionally, she has responsibility for efficient cash management, and the coordination of treasury management and financing activities.

Mrs. Ashman-Ivey is a Chartered Accountant and has over 25 years of experience in the areas of accounting and finance. She is a member of the Association of Chartered Certified Accountants, the Institute of Chartered Accountants of Jamaica and the Association for Financial Professionals (formerly the Treasury Management Association).

MANAGEMENT DISCUSSION & ANALYSIS

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Management Discussion & Analysis

Real GDP is expected to grow between 4.0% and 6.0% for the 2022/2023 fiscal year while the forecast for the 2023/2024 fiscal year is between 1.0% and 3.0%.

COMPANY OVERVIEW

PanJam Investment Limited (PanJam or the Company) is an investment holding company listed on the Jamaica Stock Exchange (JSE).

Through its subsidiaries, the Company provides a wide range of property services, including rental, management and development. It takes actively-managed positions in both public and private companies throughout the Caribbean, but primarily in Jamaica, and trades equities and fixed-income assets for its proprietary portfolio.

The Company's associated companies engage in life and health insurance, pension fund administration, investment management, commercial and investment banking, asset management, hotel ownership and operation; business process outsourcing; real estate development; tour and attractions operations; financial technology and micro-lending; and workspace rental.

The following discussion and analysis of our financial condition and results of operations should be read together with the consolidated financial statements and the related notes. This discussion contains forward-looking statements, is based on current expectations and is related to future events and our future financial performance which involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors.

ECONOMIC OVERVIEW

During the year the Jamaican economy showed signs of improvement and stability driven primarily by the recovery in the tourism sector and strong growth in the agricultural sector following the COVID_19 pandemic.

Looking ahead, there continues to be some level of uncertainty as geopolitical tensions and global inflation could affect the projected levels of economic growth. In particular inflation remains a significant concern for Jamaica and during 2022, the Bank of Jamaica (BOJ) implemented measures to reduce inflation, including tightening monetary policy and increasing policy interest rates. These measures have helped to reduce inflationary pressures and stabilize JMD:USD exchange rate. The BOJ is expected to continue to monitor inflation closely and take appropriate actions to maintain price stability.

The Planning Institute of Jamaica (PIOJ) estimated that for the period January to December 2022 compared with January to December 2021, Gross Domestic Product (GDP) grew by 5.1%, driven by improvements of 6.0% in the Services industry and 2.1% in the Goods Producing industry. Of note, the Hotels & Restaurants sector increased by 48.9% due to improved visitor arrivals. Real GDP is expected to grow between 4.0% and 6.0% for the 2022/23 fiscal year while the forecast for the 2023/24 fiscal year is between 1.0% and 3.0%.

The unemployment rate of 6.6% as at July 2022 (July 2021: 8.5%) represents a 1.9 percentage point decrease over a 12-month period consistent with the recovery of the Jamaican economy and a significant improvement when compared to the 12.6% reported in July 2020 caused by COVID-19.

The six-month Treasury Bill rate ended 2022 at 8.2%; however, by the end of March 2023, the rate had climbed to 8.3%. In order to contain Jamaica Dollar liquidity and stabilize the foreign exchange market, the BOJ increased its policy rate from 2.50% at the end of 2021 to 7.00% at the end of 2022

Net remittance inflows for 2022 declined by 1.7%, totalling US$3.20 billion (2021: US$3.3 billion), as inflows declined by 1.6% and outflows declined by 0.7%. The marginal net decrease reflects the normalisation of inflows to pre-pandemic levels. Remittances are expected to remain a key source of the country's foreign exchange earnings for short-to medium-term.

The Jamaican Dollar continues to fluctuate against its United States counterpart. At the end of 2022, the exchange rate was $149.96 (2021: $153.92), a year-over-year appreciation of 2.6% compared to a depreciation of 9.0% in 2021. Net International Reserves as at December 2022 stood at US$4.0 billion (December 2021: US$4.0 billion). Reserves are supported by strong remittance inflows, and the BOJ expects that they will remain adequate in the short-to medium-term.

On 31 March 2023, the Jamaica Stock Exchange's (JSE) Main Market Index closed at 340,535 (March 2021:391,231), a decrease of 13%. The market has trailed the country's rate of economic recovery over the last year. During 2022, the index declined by 10.2% closing December 2022 at 355,897 (December 2021: 396,156).

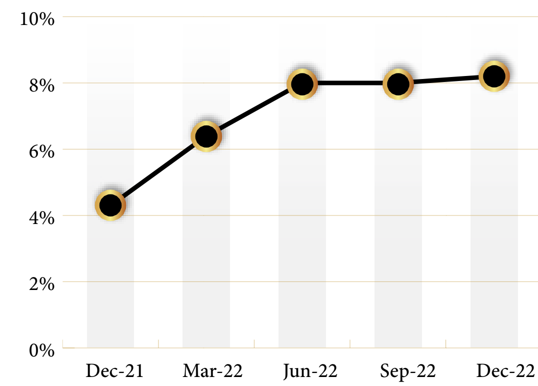
Point-to-point inflation at December 2022 accelerated to 9.4% (2021:7.3%), peaking at 11.8% in April 2022.

Effective 1 April 2023, the BOJ increased the domestic and foreign currency Cash Reserve Requirements applicable to deposit-taking institutions by one percentage point to 6.0% and 14.0% respectively.

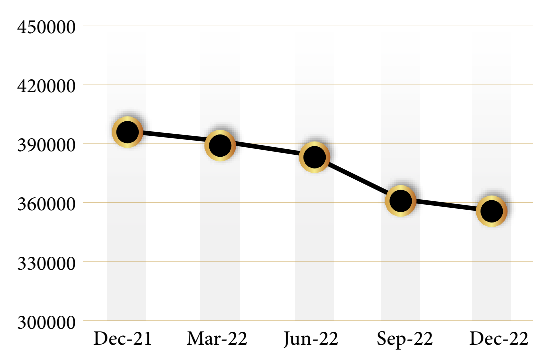
STOCK PRICE AND DIVIDENDS

In line with the decline in the JSE's Main Market Index, the Company's (closing bid) stock price declined by 15.3%, ending 2022 at $57.20 (2021: $67.50). Dividends totalling $1.12 per stock unit (2021: $1.00 per stock unit) were declared and paid during the year.

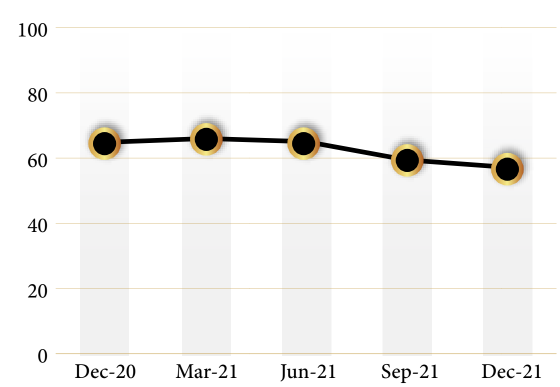
6-Month Treasury Bill Rates (%)



JSE Main Index (Points)



Stock Price ($-closing price)



Management Discussion & Analysis Cont'd

FINANCIAL PERFORMANCE HIGHLIGHTS

YEAR TO DATE/PERIOD ENDED AMOUNTS	DECEMBER 2022	DECEMBER 2021	CHANGE
Profit Related:			
Net profit attributable to owners of the parent ($m)	4,746	7,203	↓34%
Earnings per stock unit	$4.46	$6.78	↓34%
Dividend per stock unit	$1.12	$1.00	↑12%
Return on average investment	-6%	15%	↓140%
Return on average property value (gross)	23%	21%	↑12%
Return on average property value (net of direct expenses)	13%	12%	↑10%
Balance Sheet Related:			
Net worth per stock unit	$48.63	$48.83	↓0.4%
Stockholders' equity ($m)	51,772	51,962	↓0.4%
Leverage	27%	26%	↑3%
Total assets ($m)	67,418	67,775	↓1%
Other:			
Property occupancy level	88%	91%	↓5%
Return on opening equity	9%	15%	↓38%
Return on average equity	9%	15%	↑41%
Closing stock price (bid)	$57.20	$67.50	↓15%
Closing exchange rate (J$:US$; average of buy/sell)	$149.96	$153.92	↓3%

GROUP RESULTS

Net profit attributable to owners of the parent decreased by $2.5 billion or 34.1% to $4.7 billion (2021: $7.2 billion), while earnings per stock unit declined to $4.46 (2021: $6.78). Core operations generated a loss of $0.9 billion compared to a profit of $2.5 billion in 2021. Total income decreased by 45.3% to $2.4 billion (2021: $4.3 billion) due to significant reduction in investment income. Last year's results were heavily influenced by unrealised gains from our portfolio of Jamaican equities which were largely reversed in 2022 in line with local and global assets. Property income of $2.4 billion (2021: $2.1 billion) increased by 14.3%, whereas other income of $0.1 billion remained relatively flat. Of note, the ROK Hotel, Tapestry Collection by Hilton, was opened on 19 July 2022 making hospitality a key element of PanJam's operations. During 2022, the ROK Hotel contributed income of $0.6 billion, exceeding our initial expectations for its performance. As a new entrat in the market, the hotel's ramp-up phase resulted in expenses of $0.8 billion. Separately, operating expenses of $2.5 billion (2021: $1.9 billion) increased by 32.6% driven by inflationary pressure on wages and direct property costs, including utilities and maintenance. Additionally, the Company incurred one-off professional fees related to its amalgamation with the Jamaica Producers Group Limited ("Jamaica Producers"). Finance costs of $1.0 bila lion (2021: $0.9 billion) increased by 12.1% due to higher interest rates and a marginal increase in loan principal during the year.

Share of results of associated companies decreased by $0.5 billion or 9.0% to $5.0 billion (2021: $5.5 billion), driven by our share of Sagicor's earnings, which declined by 5.8 per cent or $0.308 billion compared to 2021.

Effective 21 December 2022, PanJam sold its 33.3% stake in New Castle Company Limited ("New Castle"), resulting in a gain on disposal of shares in associated company 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.

INVESTMENT INCOME

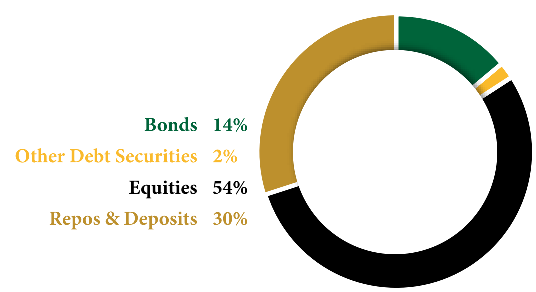
Investment income was negatively impacted by adverse market conditions experienced during the year. Investment income fell by 136.9% resulting in an investment loss of $0.8 billion compared to $2.1 billion in investment income in 2021. This was driven mainly by a decrease in local bond and equity prices, generating $0.9 billion in unrealised losses in 2022 compared to $1.4 billion in unrealized gains in the previous year. With a smaller fixed-income portfolio, interest income decreased by 30.5% to $169.3 million (2021:$243.74 million). Foreign exchange losses for the year totaled $75.9 million compared to a gain of $196.3 million in the prior year representing a 138.7% reduction due to a 3.0% year-over-year currency revaluation. Dividend income declined by 25.2% to $80.2 million (2021: $107.4 million), and investment expense was up by 19.7% to $14.4 million (2021: $12.1 million) on moderate investment activity during the year.

INVESTMENT ASSETS

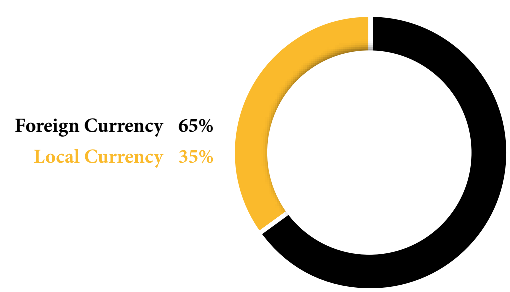
Investment assets as at 31 December 2022, totalled $11.8 billion, down by 10% over 2021. The portfolio mix consisted of 54% equities (2021: 66%) with a carrying value of $6.3 billion (2021: $8.6 billion). Fixed-income securities comprised 16% of the total portfolio (2021: 17%) valued at $2.0 billion (2021: $2.2 billion). Completing the portfolio were repurchase agreements and deposits of 30% (2021: 17%).

We continued to maintain a diverse portfolio, with investments traded on the Caribbean and North American stock exchanges across a wide range of industries.

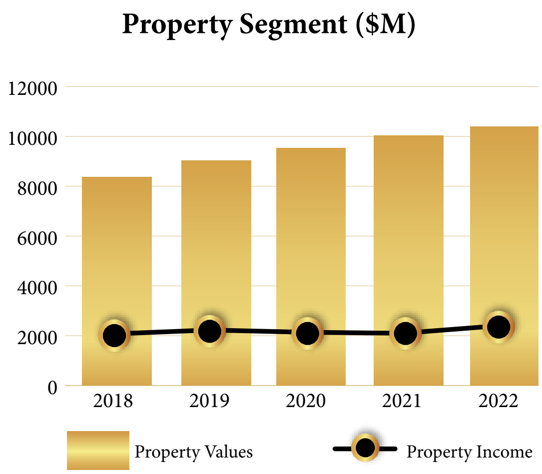
Investment Assets: Portfolio Mix



Investment Assets: Currency Mix



Management Discussion & Analysis Cont'd



Securities denominated in foreign currency, mainly U.S. Dollars, increased to 65% of the total portfolio (2021: 49%). We continued to maintain a diverse portfolio, with investments traded on the Caribbean and North American stock exchanges across a wide range of industries.

PROPERTY SEGMENT

Property income grew by 14.3% to $2.4 billion (2021: $2.1 billion) on higher gains on property valuation of $0.5 billion (2021: $0.3 billion) as well as a 5% increase in rental income to $1.9 billion (2021: $1.8 billion). This was offset by a reduction in occupancy level which decreased to 88% (2021: 91%)

The property segment's contribution to net profit decreased by 21% to $0.4 billion (2021: $0.5 billion).

Direct property expenses increased by 21.5% to $1.1 billion (2021: $0.9 billion). The increase was driven by higher maintenance and vacancy costs precipitated by inflationary pressures.

The carrying value of investment properties at year-end 2022 increased by 3.7% to $10.4 billion when compared to the prior year's $10.0billion, yielding a return on the average property value (property income net of direct expenses, divided by average property values) of 13% (2021: 13%),

QUARTERLY RESULTS

In the first quarter of 2022 the company recorded a net profit attributable to owners of $1.1 billion (2021: $1.0 billion), marginally higher than the prior year. As we navigated the impact of higher global interest rates and inflation, the second quarter saw a significant reduction in net profit of $0.1 billion (2021: $1.3 billion) as unrealised gains from our portfolio of Jamaican equities reversed in line with local and global asset prices. The third quarters net profit was $0.6 billion (2021: $2.5 billion) as the Company continued to be negatively impacted bt high interest rates and inflation. The fourth quarter saw an improvement with net profit of $2.9 billion (2021: $2.4 billion) as the company sold its 33.3% stake in New Castle resulting in a gain of $1.4 billion. Pan Jam closed 2022 with net profit attributable to owners of $ 4.7 billion (2021:$7.2 billion).

The company continued to pay quarterly dividends paying a total of $1.12 per stock unit during 2022 (2021:$1.00).

SUMMARY OF QUARTERLY RESULTS ($M)

	2022				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating income	775	278	504	794	785	1,406	694	1,413
Operating expenses	551	446	763	1,504	422	446	458	530
Share of results of associated companies	1,154	648	1,279	1,881	903	638	2,526	1,389
Gains on disposal of associated companies	-	-	-	1,380	-	26	-	168
Net profit attributable to owners of the parent	1,062	108	682	2,894	1,012	1,315	2,470	2,406
Earnings per share, per quarter	$1.00	$0.10	$0.64	$2.72	$0.95	$1.24	$2.33	$2.26
Return on opening equity, annualised	8.0%	5%	5%	9%	9.0%	10%	14%	15%
Dividends paid & declared	675	304	107	107	111	160	213	581
Total assets	66,420	64,147	65,388	67,418	62,466	64,351	66,387	67,775
Stockholders' equity	50,458	48,532	48,856	51,772	47,086	48,682	50,729	51,962
Closing stock price (bid)	$66.00	$65.06	$59.45	$57.20	$63.57	$68.94	$63.86	$64.85

ASSOCIATED COMPANIES

The share of results of associated companies for 2022 was $5.0 billion (2021: $5.5 billion), a decrease of 9.0% year over year. The carrying value of our investment in associated companies decreased by 4.9% to $36.1 billion at the end of 2022 (2021: $38.0 billion), while our return on average carrying value was 13.7% (2021: 14.4%). Dividends received were $1.9 billion (2021: $1.4 billion), which represented 38.8% (2021: 25.2%) of our share of results.

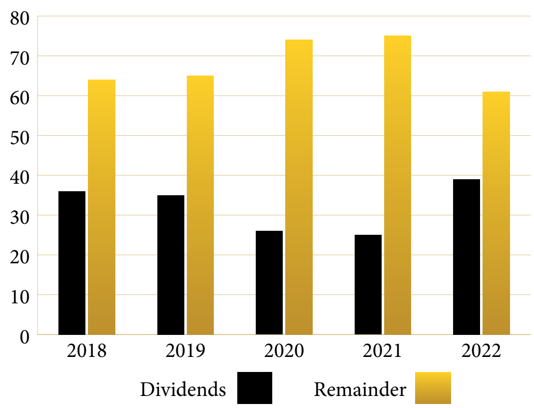
Sagicor reported net profit attributable to stockholders of $16.4 billion, a 5.8% decrease over prior year (2021: $17.4 billion), representing a 14% return on average equity (2021: 16%). These results were achieved with strong performance from the company's insurance and commercial banking businesses. For 2022, Sagicor declared dividends of $1.60 per stock unit (2021: $1.11 per stock unit).

New Castle Company, the distributors of the Walkerswood, Busha Browne and Jamaica Joe lines of sauces and seasonings, contributed $93.1 million (2021: $265.4 million), to the Company's share of results of associated companies, driven by decreased sales in the U.S. market . Effective 21 December 2022 the company sold its 33.3% stake in New Castle, resulting in a gain of $1.4 billion.

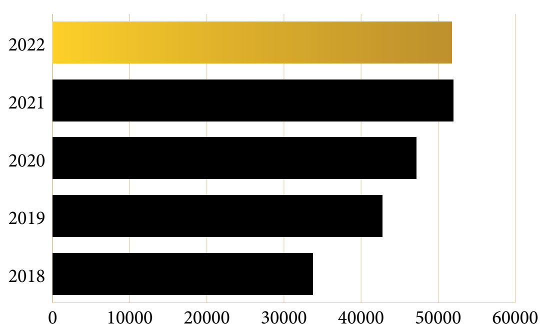
Outsourcing Management Limited, the region's largest home-grown business process outsourcing company, which trades as itel, contributed a loss of $4.3 million (2021:$41.4 million profit) to our share of results of associated companies.

Management Discussion & Analysis Cont'd

Associated companies
USE OF NET PROFIT (%)



Stockholders' Equity ($m)



Chukka Caribbean Adventures, the regional leader in adventure tours, and Caribe Hospitality Jamaica, operator of the Courtyard by Marriott both in the tourism sector benefited from the relaxation of travel restrictions resulting in improved business activity during 2022. While results have improved year over year, the businesses remains unprofitable.

BORROWINGS

In 2022, the company received new financing of $3.5 billion (2021: nil) and repaid $$3.1 billion of principal (2021: $99.1 million). Finance costs for the year were up 12.1% to $1 billion (2021: $0.9 billion) on higher average interest rates and a marginal increase in loan principal during the year. PanJam's leverage ratio at the end of the year was 27% (2021: 26%). There were no loans denominated in foreign currencies either 2022 or 2021.

FINANCIAL POSITION

Total assets at 31 December 2022, were $67.4 billion (2021: $67.8 billion), marginally decreasing year over year due to the negative impact of global bond and equity prices on our investment securities portfolio, which was offset by additional investments in, properties and property, plant and equipment and the gain on sale of the associated company New Castle.

Shareholders' equity was stable when compared to the prior year totaling $51.8 billion (2021: $52 billion) at year-end 2022 (2021: $52.0 billion), with a five-year compounded growth rate (2018 to 2022) of 8.9%. Dividends of $1.2 billion were declared to stockholders in 2022 (2021: $1 billion). At the end of 2022, the net worth per stock unit was $48.63 (2021: $48.83). Market capitalization (using the closing bid price) was 15.3% below its 2021 level, as the company's stock price declined during the year.

RISK MANAGEMENT

PanJam is exposed to a variety of risks, both internal and external. Effective management of these risks is necessary to ensure the continued success of the Company. While PanJam's Board of Directors has oversight of risk management, the primary responsibility for design and implementation lies with the Executive and Senior Management teams, and internal policies and procedures are designed to mitigate the possibility of loss from certain operational risks.

The Company is committed to fostering a transparent and ethical business environment. As part of this commitment, we have implemented a robust Whistleblower Policy, which provides a secure and confidential platform for team members to report any suspected or actual misconduct, unethical practices, or violation of Company policies. This policy ensures the protection of whistleblowers from any form of retaliation, while also facilitating the prompt investigation and resolution of reported concerns. We encourage open communication and responsible reporting, thus promoting a culture of integrity, accountability, and ethical conduct throughout the Company.

Appropriate insurance coverage is one way of mitigating the risk of loss from disruption to business activities as a result of natural disasters, accidents or equipment / system failure. Annual reviews are carried out by members of the Executive and Senior Management teams to assess the adequacy of coverage, and adjustments are made where necessary to ensure any exposure is kept at an acceptable level. The Company has in place disaster recovery and business continuity plans as well as twenty-four hour, on-site trained personnel who serve as the primary responders to any accidents to or in our buildings. Regular exercises are undertaken to sensitize tenants to our health and safety management policies.

Understanding and being able to react quickly to external risks, such as economic conditions or changes in the environment, is imperative to ensure that the financial health of the organisation is maintained. An important part of the assessment process is the review of the total asset mix, and the impact of changes in the economy on the returns from these assets. As a result of risk assessment, the Company has been implementing a strategy to increase investments in property, particularly where development opportunities exist, and marketable securities, particularly those of Jamaican companies. This strategy is designed to ensure a diversified income stream and to support long-term growth.

The Company is exposed to financial risks in its securities portfolio, namely market risk, credit risk and liquidity risk. It is also exposed to credit risk in its property rental segment.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. To mitigate these risks, under the direction of the Investment & Risk Committee, the Treasury team ensures that there is a diversified mix of assets in our portfolio, with a portion held in foreign currency. Where possible, the team also endeavours to maintain a mix of variable and fixed rate interest-bearing instruments.

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. The Treasury team reviews research and credit information on companies and governments before deciding to invest in their debt securities, and will choose sound financial institutions through which to make these investments in order to reduce the exposure to credit risk. The Company manages its credit risk from property rental by screening its customers, establishing credit limits, obtaining bankers' guarantees or collateral for loans where applicable and rigorously pursuing outstanding receivables.

Liquidity risk is the risk that the Company is unable to meet payment obligations associated with its financial liabilities when they fall due. Through a system of regular cash forecasting, the Treasury team is kept aware of financial obligations and maintains the maturity profile of investments to ensure adequate liquid assets are available, as required.

IT and Cyber Security risks impact all businesses irrespective of geographical location. The continuous evolution of, and access to various technologies have facilitated an increase in the level of threats posed to organisations.

Management Discussion & Analysis Cont'd

The Company also trains and sensitizes employees about the increasing levels of security threats faced daily. Our employees complete mandatory annual training around cyber security.

Information Technology (IT) risk is the likelihood of failures or deficiencies related to the IT environment that may result in loss or other negative impact to the Company. Cybersecurity refers to the protection of information assets by addressing threats to information processed, stored and transported by internet-worked information systems.

IT and Cyber Security risks impact all businesses irrespective of geographical location. The continuous evolution of, and access to various technologies have facilitated an increase in the level of threat posed to organisations. Digitization and emerging mobile technologies can be sources of attacks, breaches or points of compromise. Successful attacks can result in disruption to operations, misappropriation or unauthorized release of personally identifiable information (PII), fines, sanctions and reputational damage. In order to protect key systems and critical assets, the Company proactively monitors and manages these potential risks and constantly reviews and refines programmes as new threats emerge. The Company also trains and sensitizes employees about the increasing levels of security threats faced daily. Our employees complete mandatory annual training around cyber security.

In addition to the foregoing risks, which are normal in the context of the Company's operations, since 2020 there has been the emergence of the COVID-19 pandemic, a new risk with local and global implications. The company's Business Continuity Planning Committee was given the responsibility to ensure compliance with guidelines set by the Government of Jamaica (GOJ) and the Ministry of Health and Wellness (MOHW). Our internal policies and procedures were updated accordingly, and team members and tenants were educated on the new protocols, where applicable.

Effective 18 March 2022, the Disaster Risk Management Act (DRMA) was revoked by the GOJ. To mitigate against the spread of the virus in all its owned and managed properties, the Company will continue to monitor pronouncements by the MOHW with regards to infection prevention and control measures to ensure that all properties are in compliance.

Strategic Report

WE INVEST WITH PURPOSE, AND INTENT.

In 2022, we observed a return to normalcy as the COVID-19 pandemic subsided globally. While it may persist for a while, its impact on daily life is expected to significantly decrease in the long run. Nevertheless, uncertainty persists as pandemic concerns give way to geopolitical tensions and rising global inflation. Locally, Jamaica's economy has recovered and is now larger than pre-pandemic levels. However, we anticipate that the Bank of Jamaica's actions, such as increasing interest rates and implementing other monetary tools, will reduce inflation and bring it back to the target range of 4-6% by 2024. Similarly, central banks worldwide are tightening monetary policies, and PanJam is well-prepared to tackle the possible upcoming economic challenges.

WE MAINTAIN OUR POSITION AS LONG-TERM INVESTORS.

Therefore, our strategic priorities remain consistent. In 2022, our Board and that of the Jamaica Producers Group agreed to merge our operating businesses into a single legal entity named the Pan Jamaica Group. This amalgamation directly emphasizes a business strategy that allows us to capitalize on certain opportunities that would not be immediately available to either enterprise separately. As a result of this integration, the Pan Jamaica Group now operates in four major lines of business: financial services, global services, property and infrastructure, and specialty food.

GROW OUR TRADING PORTFOLIO

Although our traditionally careful investment strategy has consistently produced favourable returns for our shareholders across economic cycles, 2022 has been a challenging year for us, with a negative impact on our investment trading portfolio. However, we maintain our confidence in our approach of holding significant positions in Jamaican assets, which we believe is appropriate and applicable. We are still actively seeking undervalued assets to acquire.

TAKE ADDITIONAL EQUITY POSITIONS

We are actively seeking to acquire more strategic equity positions. With our ability to provide financial support and our expertise and experience in transformational leadership, we are well-equipped to assist companies during difficult times. We are currently exploring the investment landscape for opportunities to partner with companies that meet our investment criteria and operate in industries that complement our existing holdings. We expect to come across more such opportunities in the near future.

EXPAND OUR REAL ESTATE PORTFOLIO

Our real estate portfolio has consistently demonstrated its resilience. We leverage our extensive history and expertise in property development, management, and rental during uncertain periods. Our real estate investments bolster our balance sheet with assets that generate stable, predictable cash flows and provide a hedge against inflation.

The Hotel offers:

- 24 hour Fitness Centre
- Business Centre
- Pool with private cabanas
- Restaurant and bar
- Over 3200 sq. ft. of meeting space
- 6 meeting rooms with natural light

At the heart of downtown Kingston's resurgence is ROK Hotel, Tapestry Collection by Hilton (ROK), the Revival, Re-birth and Renaissance of Kingston. A 12 story contemporary Hotel, 168 bedrooms including 47 luxury suites overlooking the Caribbean Sea and the majestic Blue Mountain range. However, ROK is more than luxury accommodations and desired hospitality, it is a tangible representation of progress; a spirited movement to bring forth the next chapter in Kingston's story whilst uniting the community with a modern take on hospitality where guests can connect with local art, dining, and culture in a seamless blend of the downtown environment with a curated atmosphere.

The ROK was opened to the public on 19 July 2022, making hospitality a core part of PanJam's operations. The Hotel contributed income of $575.3 million, which exceeded our initial expectations for its performance, with 45% from Lodging, 33% from Food and Beverage and 22% other income.

We are also heartened by the level of interest in our luxury suites.

During 2022 the Hotel was:

- Featured in Conde Nast travel magazine with over 3.5 Million subscribers
- The #2 hotel in Kingston on TripAdvisor with a 5.0 point excellent rating
- 3rd place winner of the Hilton Tapestry worldwide service impact challenge
- Participant in the 2022 Observer Food Awards
- Implemented the best and exclusive "a la cart" brunch on the island
- Named best "new hotel" at the Caribbean travel awards

Palate

ROKSTONE

Rok CAFE & MARKET

ROK Hotel Kingston, Tapestry Collection By Hilton, Named Best "New Hotel" At Caribbean Travel Awards.

The Caribbean Journal reports **ROK Hotel Kingston, Tapestry Collection by Hilton**, was named the "New Hotel of the Year" at the Caribbean Travel Awards. The "hip, sleek hotel" is "helping to define the new Kingston."

ROK
HOTEL & RESIDENCES | KINGSTON

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PANJAM INVESTMENT AND JAMAICA PRODUCERS GROUP

JOIN FORCES TO FORM PAN JAMAICA GROUP

KINGSTON, JAMAICA (November 21, 2022). Today, two iconic Jamaican conglomerates, Jamaica Producers Group Limited ('JP') and PanJam Investment Limited ('PanJam'), announced that they reached an agreement that will see the amalgamation of their businesses to create a powerful new group of companies, strategically-positioned to take advantage of opportunities both locally and globally.

This arrangement, which is subject to the approval of the shareholders of both companies and the relevant regulators, will result in PanJam acquiring JP's operating assets in exchange for JP taking a 34.5% interest in PanJam. Post-transaction, PanJam, which will ultimately hold the combined businesses, will be renamed Pan Jamaica Group Limited ('the Group'). JP will emerge as the largest shareholder of the Group, with its shares in the Group being its principal operating asset. Both the renamed Pan Jamaica Group and JP will remain listed on the Main Market of the Jamaica Stock Exchange.

The transaction is expected to be completed within the first quarter of 2023.

The combined heft of JP and PanJam is expected to deliver significant value for all shareholders through a strong and diverse portfolio of businesses not only in Jamaica, but also internationally. The new Group will have substantial holdings in real estate and infrastructure, specialty food and drink manufacturing, agri-business, financial services and a global services network of interests in hotels and attractions, business process outsourcing, shipping, logistics and port operations.

According to JP's Chief Executive Officer, Jeffrey Hall:
"This transaction is not our first opportunity to partner with PanJam. We achieved great commercial success for shareholders in our joint investment in Mavis Bank Coffee Company. We also experienced, first-hand, our compatibility around our shared commitment to integrity, seriousness of purpose, nation building and shareholder returns. JP and PanJam operate businesses that have been tested by time and always come out stronger. With a joint balance sheet of over $100 billion in assets, we will have the scale to be more formidable, more global and more resilient."

PanJam's Chief Executive Officer, Joanna Banks stated:
"PanJam has done exceptionally well by building great partnerships with like-minded entities. The proposed business combination represents the creation of the quintessential Jamaican conglomerate, a geographically and operationally diversified company focused on value creation for all stakeholders through investment in key sectors of the global economy. Our internal analysis points to a future that we are all excited about – one in which our combined enterprises become the regional investment vehicle and investor of choice."

$100B

With a joint balance sheet of over $100 billion in assets, we will have the scale to be more formidable, more global and more resilient.

The Boards of JP and PanJam relied on fairness opinions from Ernst & Young Services Limited to determine that the proposed transaction would be fair to shareholders of both companies.

The expanded Pan Jamaica Group will be led by JP's current CEO, Jeffrey Hall, who will hold the position of CEO and Executive Vice Chairman of the Board of Directors. PanJam's current CEO, Joanna Banks will hold the position of President of Pan Jamaica Group.

Stephen Facey will serve as Chairman of the Group's Board, which will include directors from both JP and PanJam. Charles Johnston, JP's Chairman, Jeffrey Hall and Alan Buckland, JP's current Chief Financial Officer, are expected to join the Group's Board.

Both JP and PanJam have long legacies of investing in and contributing to the growth of Jamaica.

JP, founded as a co-operative of banana growers over 90 years ago, has re-positioned itself as a multinational group of companies, with a strong footprint not only in Jamaica through its port operations at Kingston Wharves Limited and its agricultural holdings and food businesses, but also globally, through its European juice holdings, shipping line and global logistics businesses. Charles Johnston, the longstanding Chairman of JP will continue in that role.

PanJam has invested in Jamaica for close to 60 years. It has an expansive real estate portfolio comprised of high-end commercial and hospitality properties, and is a well-known leader in real estate management and development. It is also a successful private equity investor with actively-managed and strategic holdings in an array of speciality food manufacturing and distribution, hospitality and business process outsourcing providers. Additionally, PanJam has a significant footprint in the financial services industry through its 30.2% stake in Sagicor Group Jamaica Limited.

Our LEGACY

PanJam has a strong legacy of being 'Invested in Jamaica', with the Facey family being integral to the direction of the company and its success. The journey started with Cecil Boswell Facey (C. B. Facey), who created the foundation of the business along with his sons Maurice W. Facey and Cecil Arthur Lloyd Facey (Lloyd).

C. B. Facey had immigrated to New York but returned to Jamaica shortly thereafter in 1919. Just three years later, he started his own import agency business in downtown Kingston on King Street, naming it CB Facey Limited. As the business grew and expanded, he invited Eric W. Abrahams to join him in the thriving business in 1926. It was later converted to a limited liability company in 1930.

By the 1950s, CB Facey Limited had grown to be one of the largest trading companies in Jamaica. However, Maurice had a vision of nation building through the entrepreneurial pursuit of property development and management. To accomplish this, CB Facey Limited was sold to Seagrams Corporation of Canada with the full support of his father, and Boswell Trust Limited was formed four years later by the family to focus on land acquisitions. Initially, Maurice's brother, Lloyd, a pharmacist by profession, remained at C.B. Facey Limited to provide pharmaceutical support to the company but eventually joined Maurice at Boswell Trust.

POST-INDEPENDENCE

In October 1964, after Jamaica's independence in 1962, C.B. Facey formed Jamaica Property Company Limited at age 75. The company acquired the properties from Boswell Trust Limited and, in November of that same year, The Honourable Clinton Hart incorporated Pan-Jamaican Investment Trust and listed on the Kingston Stock Exchange.

By March 1965, £200,000 was raised through public offer for the issue of 800,000 ordinary shares at 5s each. Having raised the funds, PanJam formed a partnership with Jamaica Property, which sought investors in order to grow its real estate portfolio. Thereafter, Jamaica Property became a wholly owned subsidiary of PanJam in June 1966, with Maurice Facey being appointed Managing Director of PanJam and with C. B. Facey being appointed to its Board of Directors.


THE DAILY GLEANER, FRIDAY, NOVEMBER 7,

KCOS need for help emphasized

Two years later, Maurice was appointed Chairman of PanJam with the company's portfolio expanded to include the acquisition of Wherry Wharf Limited and Hardware and Lumber Limited in the late 1960s. In fact, the acquisition of Hardware and Lumber was considered the first hostile takeover in the history of Jamaica at the time.

Although C. B. Facey was undoubtedly devoted to his business, he spent considerable time engaging in philanthropic works and contributed to various charitable organisations, as well as to the St. Andrew Parish Church.

For this reason, it was most fitting that in 1984, fourteen years after his death, that the Cecil Boswell Facey Foundation was launched in his memory to support education, health and culture.

Lloyd would eventually join Maurice at PanJam and serve as Managing Director of Jamaica Property from 1966 until retiring from executive duties in 1990. He also served continuously on the PanJam and Jamaica Property boards from 1976 until his death in June 2006. At the time of his death, Lloyd was both Deputy Chairman of PanJam and Chairman of Jamaica Property.

TEAM

The team of Maurice and Lloyd leading Jamaica Property and PanJam resulted in the development of many of Jamaica's landmark commercial and residential buildings in downtown Kingston, New Kingston, Cross Roads and Manor Park, including high-rise buildings such as Scotiabank Centre, Air Jamaica, PanJam, Tourism Centre, IBM, Abbey Court, Manor Court and the Manor Park plazas.

Many of the companies that were established by PanJam would later become leaders in their respective sectors. Under Maurice's chairmanship, the company expanded its 'Invested in Jamaica' mission by making significant contributions to diverse sectors of the Jamaican economy, which included Insurance, Banking, Manufacturing, Tourism, Agriculture and Trading.

Maurice was also deeply involved in the development of investment banking in Jamaica with the establishment and growth of Pan-Caribbean Merchant Bank (PCMB), a subsidiary of PanJam that was established in 1983 and is today known as Sagicor Bank Jamaica Limited.

Richard Byles played a pivotal role in the legacy of PanJam. He was appointed as President and C.E.O. of PanJam in 1992, having previously worked as Managing Director of PCMB.

Byles worked alongside Maurice Facey to steady the business during the financial meltdown in the mid 1990s. Consequently, we can proudly say that our financial service subsidiary was solid and First Life, the insurance company of PanJam, was one of the few financial entities that was not taken over by The Financial Sector Adjustment Company (FINSAC). In fact, First Life acquired the group life, health, and creditor life business of three insurance companies from FINSAC in 1999.

NEW MODEL

During the early 2000s, PanJam sold its majority shareholding in Hardware and Lumber (H&L), with H&L moving from a being a subsidiary of PanJam to being an associated company.

PanJam also completed the sale of the First Life insurance business and its interest in Pan Caribbean Financial Services, the parent company of PCMB, to Life of Jamaica (LOJ) in 2005. Prior to the completion of the transaction in March 2004, Byles demitted office at PanJam for the role of President and C.E.O. of LOJ.

Mr. Byles continued to serve on the Board of PanJam up to early 2019, a position he held since 1991, contributing to PanJam's rich legacy.

NEXT GENERATION

Up until his passing on April 2, 2013, Maurice contributed to PanJam's strong legacy and to his beloved home country. The founding chairman will forever be etched in each of our memories and in the history of Jamaica. The next generation continues to follow in his footsteps with the offspring of both brothers assuming similar roles – with Maurice's son, Stephen, driving the ship of innovation and Lloyd's son, Paul, assuming the critical responsibility of investments.

Stephen Facey was appointed CEO of PanJam in March 2004. An architect by profession, Stephen began working at Jamaica Property in 1981 as Project Manager under the tutelage of his uncle Lloyd. He was appointed Managing Director of Jamaica Property in 1990 upon the retirement of Lloyd from executive duties.

Paul Facey joined the group in 1989 as a management trainee at then subsidiary H&L. Upon completion of the trainee programme, he was promoted to Operations Manager. Paul, however, wanted to advance his studies and resigned from H&L to go overseas to pursue a Master's degree in finance. He returned to Jamaica upon completion of his studies, and worked in various subsidiaries within the PanJam group. His passion, however, remained with H&L and so he rejoined the team and worked with them until 2003, when PanJam sold the majority of its shareholding in the company.

Paul joined PanJam in 2004 as Vice President of Investments. He was later promoted to Chief Investment Officer, where his wealth of experience in managing investment portfolios with assets exposed to various sectors and in all classes proved to be beneficial to the company.

Like his father, Lloyd, Paul continues PanJam's philanthropic mission with a focus on early childhood education. As Chairman of the Lalyce Gray Early Childhood Institution in Cassava Piece, he led the school through challenging times during the COVID-19 pandemic by creating a financial structure through an endowment fund, while providing critical guidance and support to the leadership team.

NEW PHASE

With Stephen and Paul at the helm, and Maurice Facey as chairman, PanJam entered a new phase of 'Invested in Jamaica'. In 2005, the company became the largest Jamaican shareholder in LOJ, which would later become Sagicor Group, by owning 24.73% of its shares. PanJam subsequently acquired additional shares in LOJ and currently owns 30.2% of its shareholding.

In the late 2000s, PanJam continued its investment in sound companies by acquiring a 25% shareholding in New Castle Company Limited – the distributors of Walkerswood, Busha Browne and Jamaica Joe lines of sauces and seasonings, and purchased land in New Kingston, on which the Courtyard by Marriott hotel was constructed with PanJam having a 35% stake in hotel operators Caribe Hospitality Jamaica Limited.

This legacy passes to yet another generation, with Sam Cooper, the great-grandson of C. B. Facey, now General Manager of Jamaica Property and Anna Ward, great-granddaughter of C. B. Facey, now Executive Director of the C. B. Facey Foundation.

As the fourth-generation leader of Jamaica Property Company Limited, Sam has continued the Facey family's legacy of passion and commitment to real estate development, management and rental in Jamaica. Sam joined the Jamaica Property team in 2004 and served in various capacities as he learned the business of property development and management under the guidance of Stephen. He was appointed General Manager in 2017 and, over the years, has garnered experience in the real estate industry with an in-depth understanding of the complexities of the property market.

Under Sam's leadership, the company has been involved in several high-profile projects, including the J$1.5B renovation of the Scotiabank Centre in downtown Kingston, the construction of the Courtyard by Marriott Kingston, and a US$3 million power system upgrade to our New Kingston complex. Sam's vision for the company is focused on the strategic growth and diversification of its asset portfolio, while staying true to the values established by his great-grandfather. With Sam at the helm and a strong team in place, Jamaica Property is well positioned to continue its legacy as a leading real estate company in Jamaica.

As the Executive Director of the C. B. Facey Foundation, Anna Ward is a passionate advocate for education, the arts, and the environment, and is dedicated to advancing these causes. She joined the foundation in 2017 as Project Assistant and was appointed Executive Director in 2018. She has spearheaded several impactful programmes aimed at promoting access to quality education in underprivileged areas, supporting local artists and cultural institutions, and promoting environmental sustainability. PanJam is most proud of the Maurice Facey Lecture Series named after the late Honourable Maurice Facey, who had a vision for restoring downtown Kingston. The series focuses on sustainable urban development and design solutions for our evolving cities.

Other initiatives undertaken by the foundation led by Anna include educator scholarships, school endowment funds and environmental conservation projects that have given back J$350 million to Jamaica during her six years. Anna's commitment to these causes has earned her widespread recognition as she inspires others to make a positive impact in their communities and creating a better future for all.

The contribution of the Facey family to PanJam's strong legacy of 'Invested in Jamaica' has been impactful and powerful and it has laid a strong foundation for the future of PanJam. We salute the Facey family for their contribution.

Some of Our Milestones

1983 - 2022

1980's

1983: Pan Caribbean Merchant Bank
Launched Pan Caribbean Merchant Bank (now Sagicor Investments Jamaica Limited)

Sans Souci Hotels
Acquired Sans Souci Hotels and its surrounding fifteen acres of land

Jamaican Floral Exports Limited
Launched the Jamaican Floral Exports Limited (JAFLEX)

Kingston Restoration Company Limited
Kingston Restoration Company Limited (KRC) was formed to assist in the building or restoration of dilapidated, derelict or damaged buildings in downtown Kingston

1984: Cecil Boswell Facey Foundation
Launched the Cecil Boswell Facey Foundation (CB Facey Foundation)

First Life Insurance Company
First Life Insurance Company (established in March 1982) became a wholly owned subsidiary of PanJam, through a merger with Jamaica Property Company Limited to establish a major insurance and real estate entity

1990's

1990: Sans Souci Hotel
Sale of Sans Souci Hotel and White River properties to Carreras Group of Companies

1993: Wherry Wharf
Sale of Wherry Wharf

New Kingston Civic Association
Established New Kingston Civic Association (NKCA) as part of the corporate social responsible to aid the New Kingston community.

1999: First Life Insurance
Acquired the group life, health and creditor life portfolio of the FINSAC-managed entities Mutual Life, Dyoll Life and Crown Eagle through its insurance company, First Life Insurance

2000-2010

2003: Hardware and Lumber
Sale of its majority shareholding in Hardware and Lumber, retaining 21%.

2005: First Life Insurance
Completed the sale of First Life's insurance business and interest in PCFS to Life of Jamaica and becoming the largest Jamaican shareholder, 24.73% of Life of Jamaica (current shareholding: 30.2%)

2009: New Castle Company Limited
Acquired 25% shareholding in New Castle Company Limited, later increased to 33.33%

Courtyard by Marriott Hotel
Invested in Caribe Hospitality Jamaica Limited, operators of Courtyard by Marriott Hotel with 35% shareholding

2022

- Approval by stockholders for the amalgamation of the company with Jamaica Producers Group
- Opening of ROK Hotel
- Disposal of shareholding in New Castle

2011-2020

2011: Mavis Bank Coffee Factory
Acquisition of the business and assets of Mavis Bank Coffee Factory jointly with Jamaica Producers Group

2012: Chukka Caribbean Adventures
Acquisition of 20% ordinary shares in Chukka Caribbean Adventures (currently 15%)

2013: H&L
Sale of its 21% shareholding in H&L

Courtyard by Marriott Hotel
Broke ground for the construction of Courtyard by Marriott Hotel

2015: Courtyard by Marriott Hotel Opening of Courtyard by Marriott Hotel

Oceana Hotel
Acquisition of the former Oceana Hotel by Kingston Waterfront.

2018: Oceana Hotel
Commence the renovation the former Oceana Hotel

2019: ROK Hotel
Rebranding of the former Oceana Hotel to ROK Hotel, Tapestry by Hilton

Recognising Gene M. Douglas, FCIS, MBA

In July 1988, Gene joined PanJam Investment Limited (PanJam) as its corporate secretary, under the chairmanship of The Honourable Maurice Facey, O.J., J.P. In 1993, she was transferred to Pan Caribbean Merchant Bank (now Sagicor Bank Jamaica Limited), then a subsidiary of PanJam, to establish its Corporate Trust Division. Through Gene's leadership, this Division later expanded to include registrar services.

In 2013, Gene retired from her role as Vice President of Corporate Trust at Sagicor Bank but continued to serve as the Corporate Secretary of PanJam and its subsidiaries as well as Hardware & Lumber Limited and Desnoes & Geddes Limited.

With her vast knowledge and experience, Gene is highly respected by her peers and has been the go-to person on matters related to corporate and registrar services.

First Jamaica Investment Limited AGM 18 July 2006.

As PanJam's Corporate Secretary, she has played a critical role in our success, providing invaluable guidance and support to our Executive Team and Board of Directors. She has always gone above and beyond to ensure that our Company is compliant with all regulatory requirements and has a strong foundation for continued growth and success.

Over her 35 years as PanJam's Corporate Secretary, Gene participated in its various transformations, most notably the amalgamation with its subsidiary, First Jamaica Investment Limited, and most recently its amalgamation with Jamaica Producers Group Limited.

THE HONOURABLE MAURICE FACEY Lecture Series

In continuing its charge to drive the sustainable development of local cities through urban renewal, PanJam Investment Limited held the second staging of the Hon. Maurice Facey Lecture on Wednesday, October 12. The guest speaker was international urban development expert Prof. Greg Clark who discussed the topic 'The Business of Cities: Partnering for Urban Revitalisation'.

After a two-year hiatus due to the COVID-19 pandemic, the lecture resumed open discussions concerning the framework required for the robust development of Jamaica's urban landscape. It encouraged the proactive and long-term planning of municipalities as it also honoured the legacy of late businessman Maurice Facey, who founded the PanJam Group and spearheaded transformation in Jamaica's real-estate industry through the development of high-rise commercial and residential properties.

The event was hosted by the C. B. Facey Foundation in partnership with PanJam Investment Limited, ROK Hotel, Urban Development Corporation, Jamaica Institute of Architects, Jamaica Chamber of Commerce, Kingston Restoration Company and the University of Technology Jamaica Caribbean School of Architecture. Watch the full lecture at www.cbfaceyfoundation.org.

Our People

We began 2022 with the view that the worse of the COVID-19 pandemic was behind us and with and the expectation of a return to normalcy.

Throughout the year, there were signs of an economic recovery. Nonetheless, we continued to help our team to adapt to a hybrid environment, which supports a blend of in-office and remote work, where possible. The Company relied on our people to ensure seamless functioning of our operations, and this was confirmed by consistency in efficiency and productivity.

Our robust recruitment strategies continue to attract a diverse pool of high-calibre team members, who possess the required knowledge and skills which are honed through our strong onboarding programmes. We remain committed to hiring, developing and retaining our people to support the Company's mission. We are dedicated to supporting our team in their next career move and stand by our philosophy to promote from within. We anticipate that more vacancies will be filled by internal candidates in the future. In all aspects, we endeavour to keep our organisation adequately staffed to ensure workloads are reasonable and to reduce burnout of our people.

We have the right people to drive superior performance, so one of our objectives during the year, was to increase performance management by enhancing our team's learning and development. We, therefore offered several development programmes to support their growth, providing them with the opportunities and resources necessary to strengthen key skills and reach their full potential. These sessions included several leadership training and conferences. We also provided pratical guidance to all our team members, providing them with industry insights and investment knowledge, to empower them to build their personal wealth.

The support that we provide to our people extends beyond our learning and development programmes. Our Company values work-life balance and recognizes the importance of the total well-being of our team. We know that investing in the health and happiness of our team members can lead to increased productivity, job satisfaction and retention, so it is important to create a supportive environment.

During Breast Cancer Awareness month, we invited our team members to participate in a forum geared to raising attention and support for the awareness, early detection and treatment of this disease. As the most common cancer in women anywhere in the world, we believe that all team members have been impacted by at least one person who has had breast cancer. Our campaign for promoting breast health concluded with our team wearing pink to work.

With the lifting of the COVID-19 restrictions, we were able to close out the year with the coming together of our team after a two year hiatus of physical gatherings and paused to recognize our people that best demonstrate our values and culture.

Our CEO award for 2022 was presented to Mrs. Claudette Ashman-Ivey, Group Treasury Manager.

Our Team Member of the Year 2022 was Theresa McDonald, Accounting Officer.

We continue to show our appreciation for the hard work and contributions of our people through various initiatives and events, on days such as International Women's Day and Administrative Professionals Day.

PanJam celebrated Jamaica's 60th Independence Day with team building activities, which was another initiative to demonstrate the Company's commitment, not only to our team, but to our nation.

Our people have always played an important role within the company. As we continue to empower them, we are committed to making PanJam a great place to work, enabling them to deliver strong results to our customers, our shareholders, our country and each other.

Mrs. Claudette Ashman-Ivey

Miss Theresa McDonald,

Corporate Social Responsibility

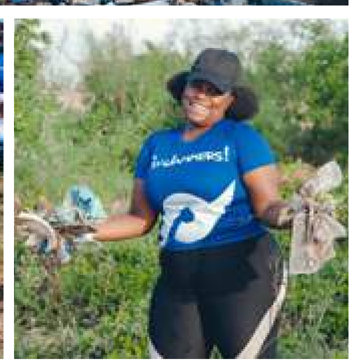
BEACH CLEAN UP

Plastic pollution remains a significant problem that has a devastating impact on our coastline and marine life. In an effort to combat this issue, PanJam and Jamaica Property Company participated in a beach clean-up on November 19th. The initiative was led by the Grace Kennedy Foundation, and supported by team members from the ROK Hotel and students from the University of the West Indies.

Together, our team of volunteers worked tirelessly to collect 3,305.33lbs of trash from Kingston Pen in downtown Kingston.

While beach clean-ups do not solve the root issue of plastic pollution, they are essential initiatives that reduce the amount of garbage that ends up in the sea.

The amount of waste collected during this event highlights the extent of pollution suffocating our shoreline, emphasizing the urgent need for responsible waste disposal. Through our beach clean-up activity and other recycling initiatives, we aim to create awareness about the importance of environmental conservation and promote positive change in our communities.



ROK HOTEL ECO GARDEN

The C. B. Facey Foundation partnered with the ROK Hotel, the newest member of the PanJam group, to install a rooftop vegetable garden aimed at promoting sustainability and reducing the hotel's environmental footprint.

The garden, which was installed on September 7 with the help of Making An Impact All-Together (MAIA) Foundation and ROK staff members, featured 6 garden beds filled with 400 mixed vegetables. The hotel has utilized the fresh produce for their restaurants and café while reducing their transportation emissions and food waste.

We look forward to seeing the continued success of ROK's rooftop vegetable garden in promoting sustainable and responsible land use practices within the hospitality industry, and hope that it will serve as an inspiration to other businesses to take similar action in their own communities.

C.B. Facey Foundation

CBF
C.B. FACEY
FOUNDATION
The charitable arm of PANJAM

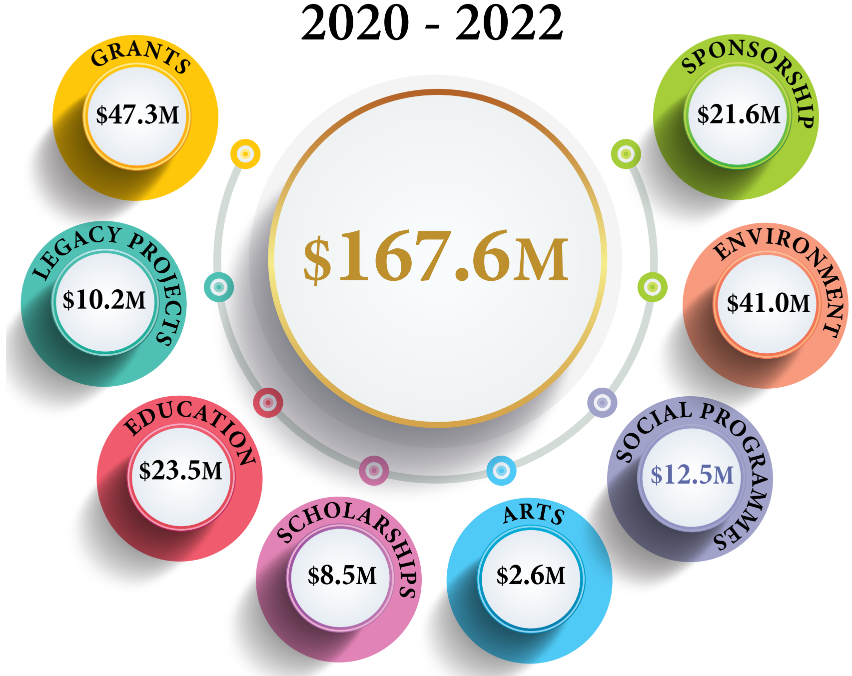
The Cecil Boswell Facey Foundation launched in 1984 to leverage the available resources of the group of companies and pay tribute to the cornerstone of the business, Cecil Boswell Facey. He believed that with every success was a duty to give back to those less fortunate, and over the last 38 years, the Foundation has worked hard to honour that belief.

The members of the Facey family and PanJam, formerly called the Pan-Jamaican Group of Companies, joined together to provide financial and administrative support for the Foundation with a focus on education, health and culture. Over time, the environment became a crucial area to support, and our mandated became supporting education, the arts and the environment.

The success of the PanJam Group over the years has allowed the Foundation to invest in Jamaica through partner schools, scholarships, grants and sponsorship. The Foundation has always taken the approach of creating partnerships rather than merely giving; working closely with community-based organizations to provide support and guidance. Our goal is to encourage and uplift those who work tirelessly to create sustainable impact in their communities. Today and always, we salute them.

Anna Ward
Executive Director

AREAS OF SUPPORT 2020 - 2022



Over the past year, the Foundation has supported a range of initiatives aimed at promoting positive change in our communities. Below are some of the key activities we have undertaken:

LIST OF GRANTEES FOR 2022

Family Care Centre, Boys' Town	Building meaningful relationships between parents and children in disadvantaged communities.	**$2,230,000**
Creative Language Based Learning, Island wide	Hands-on literacy training in new and personalized ways.	**$1,000,000**
Philharmonic Orchestra of Jamaica, Island wide	Supporting classical music in Jamaica.	**$1,000,000**
Violence Prevention Alliance, Island wide	Data gathering, research and policy support aimed at reducing violence in communities.	**$4,000,000**
Junior Achievement Jamaica, Island wide	Financial literacy and work readiness for primary school students.	**$1,500,000**
Children First Agency, Island wide	Psychosocial support and edutainment used to engage and motivate children.	**$500,000**
The Rose Town Foundation, Rose Town	Engaging at risk young men in mentorship and various activities including farming, football, music and literacy.	**$500,000**
Trench Town Reading Centre, Trench Town	Interactive summer school focused on literacy and arts and craft.	**$570,000**
Reading Owls International Inc., Olympic Gardens	Created a library in Olympic Gardens.	**$1,000,000**
Rise Life Management Services, Island wide	Life skills training for persons with disabilities.	**$1,000,000**
Diocese of Jamaica and the Cayman Islands, August Town	Steelpan training for children living in Standpipe and August Town.	**$1,000,000**
Scout Association, Island wide	Engaging youth in outdoor and survival activities.	**$1,250,000**
Wattle & Red Earth (WARE) Collective, St. Elizabeth	Conserving Jamaica's built heritage, indigenous building practices and craft through a summer camp.	**$1,000,000**
Jamaica Deaf Youth Advocacy/ Deaf Sports Jamaica, Island wide	Creating online Jamaica Sign Language dictionary for the hearing impaired and translation of Jamaican stories in JSL.	**$1,000,000**
Keith Primary & Infant School, St. Ann	Infrastructure upgrades to the classrooms and playground.	**$500,000**
Red Bank Community Development Committee, St. Elizabeth	Installed garbage receptacles for 2,600 residents in Red Bank.	**$200,000**
Operation Friendship, West Kingston	Skills training for young men in electrical installation.	**$1,000,000**

SOCIAL PROGRAMMES	
Missionaries of the Poor, Island wide	$600,000
Salvation Army, Island wide	$250,000
Peace Management Initiative, Island wide	$1,000,000
Wortley Home, Constant Spring	$200,000
Jamaica Association for the Deaf, Island wide	$500,000
Girls Brigade, Island wide	$150,000
Danny Williams School for the Deaf, Papine	$500,000
Girl Guides, Island wide	$500,000

Jamaica Conservation Partners

The Jamaica Conservation Partners (JCP) is a project of the C. B. Facey Foundation that focuses on protecting and preserving Jamaica's natural environment. The project supports local organizations that have the knowledge and expertise to develop and implement conservation strategies, including habitat restoration, biodiversity conservation, and sustainable resource management. The projects supported by JCP also include educational and outreach components to raise awareness about the importance of environmental conservation and sustainable development.

LIST OF GRANTEES FOR 2022		
Jamaica Conservation and Development Trust, Island wide	Marking the boundary of the Blue and John Crow Mountain National Park using Blue Mahoe trees and signs.	US$20,000
Caribbean Coastal Area Management Foundation, Portland Bight	Reef restoration and public education in the Portland Bight.	US$10,000
Southern Trelawny Environmental Agency, Trelawny	Advocacy in the Cockpit Country communities.	US$31,300
University of the West Indies – Institute for Sustainable Development, Island wide	Country-wide survey of the American crocodile in Jamaica.	US$5,500

Grantees Spotlight

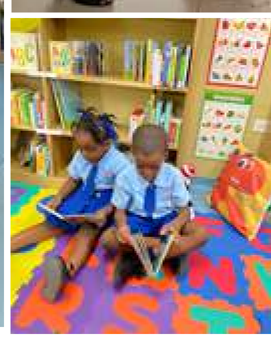
READING OWLS LIBRARY

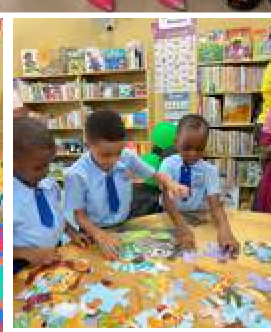
Reading Owls International, with the support of the C. B. Facey Foundation, opened their 25th library at the Jamaica China Goodwill (JCG) Infant School in Olympic Gardens. The once empty space has been transformed into a vibrant learning center, filled with 3,600 books, brain-building games, and other resources to stimulate young minds.

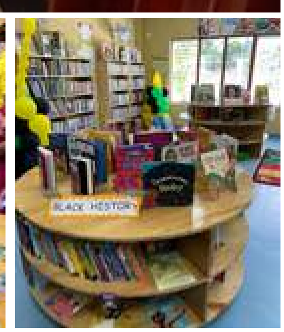
On September 23, the lending library opened its doors to serve 550 students from JCG Infant and two neighbouring primary schools, Balcombe Drive and Drews Avenue Primary. The library will provide children with the necessary exposure to books and stories at a young age, helping them develop a love of reading and a strong foundation in language skills that will serve them throughout their lives.

The establishment of the library was made possible with the help of the Jamaica Library Service and the Early Childhood Commission, and will continue to operate as a hub for the community while improving literacy skills in the area.

The C.B. Facey Foundation and Reading Owls International remain committed to promoting literacy and education in Jamaica and providing access to books for children who need it most.







Grantees Spotlight Cont'd

OPERATION FRIENDSHIP

In 1961, Cecil Boswell Facey assisted Father Hugh Sherlock with the launch of Operation Friendship, a non-governmental organization that has expanded over the years to provide skills training for the young men and women of Tivoli Gardens, Arnett Gardens, Waltham Park and other neighbouring communities in West Kingston.

Through a grant provided by the C. B. Facey Foundation in 2022, 14 young men received training in Electrical Installation.

Sessions were held on Saturdays and Sundays for both theory and practical assessment, so that those working during the week could improve their job readiness and technical skills on the weekend.

The trainees completed 10 external exams and 39 units through HEART/NSTA Trust. At the end of the year, 13 young men received full NCTVET certification for level 2 Electrical Installation, which allowed them to advance in their careers.

"The C.B. Facey Foundation has remained fully committed in its partnership with the Family Care Centre and has provided invaluable, practical support to the Centre's fulfilment of its mandate, thereby displaying the Foundation's genuine commitment to all facets of nation building."

Dr. Christine Stennett, Founder and Executive Director, Boys' Town Family Care Centre

BOYS' TOWN FAMILY CARE CENTRE

Boys' Town Family Care Centre, established in 2018 with support from the C. B. Facey Foundation, has been making strides in providing psychosocial and economic training for parents in Trench Town, Denham Town, Tivoli Gardens and other surrounding communities. Based on the parents' interests, academic training for City & Guilds Mathematics and English were added to the programme to improve job readiness.

The goal of the programme is to provide a space for the parents and their children to grow and learn together. The centre saw positive cognitive and behavioural changes in the lives of the individuals and families that access the programme, which has resulted in improved interactions with children, strong management of their households and reduced domestic violence and abuse.

The Boys' Town Family Care Centre continues to provide a valuable resource for families in need, helping them to achieve their goals and improve their overall well-being.






Grantees Spotlight Cont'd

TERTIARY SCHOLARSHIPS

Twelve scholarships were awarded in 2022 to deserving students attending Edna Manley College of the Visual and Performing Arts and University of Technology Caribbean School of Architecture. These scholarships serve as a critical tool in empowering Jamaican youth from all income brackets, enabling them to focus on their studies without the burden of financial strain.

The students have showcased their hard work and dedication in their academic achievements and extracurricular activities. The support provided by the C. B. Facey Foundation has allowed the students to pursue their passions, gain valuable skills and knowledge, and contribute to their communities and the wider society. It is our hope that through these scholarships, we can help build a brighter future for Jamaica by investing in its talented and ambitious youth.

Edna Manley College of the Visual and Performing Arts awardees.

"This scholarship has helped me to focus and not limit myself for my final year project. With my tuition paid I won't have to worry about being excluded from exams."

Shammia Reid. Edna Manley College 2022 /2023 scholarship recipient.

University of Technology Caribbean School of Architecture awardees.

Environmental, Health & Safety

OVERVIEW

As a leading full-service provider of property services for over 40 years in Jamaica, it is imperative that we provide a safe environment for all who access our properties. In keeping with the Company's legacy of attaining and maintaining the industry's highest standards, Jamaica Property Company Limited(JPCo) recognizes developments in assessing the environmental impacts, evaluating efficiency in safety compliance, and identifying existing and emerging challenges.

RECYCLING

In line with JPCo's ongoing participation in the Jamaica Environment Trust's annual Coastal Beach Cleanup, the Company and the C.B. Facey Foundation implemented a workplace plastic recycling pilot project in 2016. The Government of Jamaica (GOJ) ban on plastic in January 2019 resulted in an increase in staff, tenants and visitors participation.

In 2022, we continued to collect all polyethylene terephthalate (PET) and high-density polyethylene (HDPE) plastic bottles in the Hexcycle® IV Recycling Bins distributed in the PanJam and Scotia Centre building. Almost seven years since the launch of the project, even with the impact of COVID-19, over 1700 lbs of plastic have been collected by Recycle Partners of Jamaica, who in turn process and resell to local and international partners.

SAFETY TRAINING

Workplace safety begins with a trained workforce, and JPCo strives to raise awareness among team members and tenants by creating a meaningful health and safety culture; one focused not only on the reduction of workplace accidents and injuries but also on disaster and emergency preparedness.

Since 2015, all new staff, tenants, temporary workers and contractors engaged in renovation projects have to complete an environmental, health and safety induction. This 45-minute training session ensures individual(s) understand the safety policies and procedures of the Company as well as their roles and responsibilities in taking preventative action to avoid potential risks.

JPCo's responsibility goes even further as our mandate is that all tenants assist in emergency management preparation through the provision of volunteers who act as fire safety wardens for their floor and/or business. With this in mind, JPCo organises a biennial training chaired by the Jamaica Fire Brigade (JFB), to provide a free-of-cost, full-day fire safety warden training session for all managed and owned properties. However, with the onset of COVID-19, all certified training sessions by the JFB were postponed. It is our intention to restart these sessions in short order.

Additionally, the Heart Foundation of Jamaica has worked with JPCo to train and certify team members and contracted security personnel in accordance with the American Heart Association Heartsaver First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillators (AEDs) Program. This internationally recognised program has provided team members with the lifesaving skill, which have proven useful on at least one occasion.

DISASTER PREPAREDNESS - EMERGENCY DRILLS & EVACUATION PROTOCOLS

Emergencies are never planned. At least once a year, JPCo organises rigorous surprise evacuation drills for each building,

Figure 1a: Safety wardens demonstrating the use of a fire extinguisher.

Environmental, Health & Safety Cont'd

Figure 1b: Safety wardens demonstrating the Fire Brigade 4 Arm Chair lift.

Figure 3b: Alonzo Mothersill, The Heart Foundation of Jamaica, coordinator, instructs JPCo team members on conducting CPR on infants.

Figure 3a: Romario McCalla, JPCo team member, demonstrating the use of the AED on an adult.

under the guidance of the JFB and Ambucare Paramedics so that building occupants are prepared to act when an alarm is sounded.

Evacuation drills at JPCo are opportunities to assess the effectiveness of our protocols and procedures, and identify and address any issues that may arise as per Section 5C (ii) of the Disaster Risk Management Act 2015. Among our properties in Manor Park, New Kingston and Downtown, these drills incorporate the flooding of two to a maximum of six multi-storey buildings encompassing a total workforce of approximately 1700 people.

With each successful drill execution, comes the opportunity to expand our preparedness beyond our managed properties and improve our emergency protocol thus enabling us to have a seamless evacuations when necessary. Challenges came with 2020, with the COVID-19 Global pandemic. Work from home and social distancing being the major factors, emergency drill and evacuations became less of a priority for almost 2 years. We restarted our evacuation drills in 2023.

Figure 4: Ambucare paramedics assessing a tenant during one of JPCo mass building drill evacuation.

Figure 5a: Testing of the newly installed fire hydrant.

Figure 5b: Fully comissioned fire hydrant.

FIRE SAFETY COMPLIANCE

With a cadre of trained contractors, JPCo has a stringent preventative maintenance schedule that covers building inspections for all fire suppression and alarm systems, fire extinguishers, and building fire certification for all our managed and owned buildings.

In May 2022, the JFB reminded the public that hydrants are just as important to the public as they are to the Brigade. With the island's extensive network of fire hydrants continuously growing and in light of the booming construction industry, the JFB encouraged developers responsible for plazas, subdivisions and multi-dwelling units to include the strategic placement of fire hydrants in their development plans.

During the development of the ROK Hotel and Residences in Downtown Kingston, JPCo took the initiative, to replace a dummy hydrant located on Church Street at the entrance to the multi-story covered car park which provides parking for the Hotel, the Jamaica Conference Centre, and many other entities in that downtown community. This project involved collaboration between the National Water Commission, National Works Agency, the JFB and internal JPCo staff. Planning commenced in November 2019 and was completed in June 2022.

Upgrades to our fire suppression and alarm systems have become a recurrent item in our annual budget. Increases in building occupancy levels result in commensurate higher needs for more robust systems capable of accommodating more fire devices on an already laboured system.

In 2021, an decision was made to upgrade the existing Hochiki Addressable Fire Detection System in the PanJam Building located in New Kingston. Though the current system has features and devices designed to discover fires early in their development while still allowing for the safe evacuation of occupants, the new alarm control panel combines the very latest designs which provide solutions to the most technically challenging applications in life safety. This system, the 1st of its kind in Jamaica, delivers added value, market advantage, and a competitive edge to our business.

Environmental, Health & Safety Cont'd

When the Scotia Centre Building came up for renovation, there was a need to review and upgrade (where applicable) all life and fire safety systems according to national and international building code standards. When such standards are updated, there is a continuous challenge to develop solutions that meet these criteria while preserving the look of older landmark buildings.

Retrofitting more than 99,000 square feet of heavily used space for better life safety coverage was, and still is a challenge as the project has passed its 2022 completion date. The building has been upgraded to include; a new sprinkler system, stairwell pressurization, elevator hoistway pressurization, smoke exhaust system, new fire pump, two-hour fire-rated emergency exit doors with intumescent sealant, drop seal on lobby glass door, updated fire exit signage, updated fire department connection and a new designated 22,500 gal underground water storage tank for the fire sprinkler system. The end of this project will see the beginning of new upgrade for another existing building.

ACCESSIBILITY FOR PERSONS WITH DISABILITIES (PWD)

Among many other public and private entities, JPCo has been forced to revisit existing facilities, and remove where reasonably achievable, structural barriers that people without physical disabilities take for granted but can present serious problems for people with disabilities (PWDs). To date, many countries worldwide have recognised and addressed this situation through laws that protect PWDs from discrimination, and guarantee them at least some degree of access to public facilities, employment, services, education, and/or amenities. The Jamaican Disability Act passed in 2014 became effective on February 14, 2022.

JPCo along with Architects, Engineers, and Project Managers and company executives continue to brainstorm how best to tackle structural challenges in creating buildouts for accessible routes, parking, and accessibility ramp.

Though we still have a long journey in becoming fully compliant with the Act for all our existing structurally challenging buildings, we are committed to securing the full and effective participation and inclusion of PWDs, as best as reasonably practical, which is in keeping with the United Nations Convention on the Rights of PWDs.

Figure 6: Wheelchair Lift intalled at FCIB building in New Kingston by Comfortair Engineering Ltd.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 2022

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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

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.

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Key audit matter	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.	Our approach to addressing the matter, with the assistance of our property valuation expert, involved the following procedures, amongst others: ● Met with the property valuators 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 valuators 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 valuators 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 valuators to supporting documentation. ● Assessed the reasonableness of the discount rate. ● Developed a point estimate based on the information obtained from performing the above procedures.

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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.

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Key audit matter	*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.	• 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.

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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 scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
1 March 2023

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		4,793,853	7,251,717
Attributable to:			
Owners of the parent		4,746,095	7,202,801
Non-controlling interests		47,758	48,916
		4,793,853	7,251,717
Earnings per stock unit attributable to owners of the parent during the year			
Basic and fully diluted	15	$4.46	$6.78

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	4,793,853	7,251,717
Other Comprehensive Income, net of taxes		
Items that will not be reclassified to profit or loss		
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	736,358	(56,908)
	1,079,432	(60,159)
Items that may be subsequently reclassified to profit or loss		
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	(4,826,968)	(1,272,949)
	(4,850,021)	(1,282,762)
TOTAL COMPREHENSIVE INCOME	1,023,264	5,908,796
Attributable to:		
Owners of the parent	975,506	5,859,880
Non-controlling interests	47,758	48,916
	1,023,264	5,908,796

Consolidated Statement of Financial Position

YEAR ENDED 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
		58,314,176	61,107,232
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
		8,871,428	6,394,446
		67,417,951	67,774,534

Consolidated Statement of Financial Position *(Continued)*

YEAR ENDED 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

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	31	-	54,660	-	-	-	-	-	54,660
Employee share grants issued/options exercised	31	-	(46,520)	-	(187,120)	-	286,887	-	53,247
Dividends paid to equity holders of the company	34	-	-	-	-	(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

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		-	-	-	(4934857)	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

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	1,560,970	1,138,263
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		(7,010)	(16,705)
Net cash provided by investing activities		1,585,318	1,426,155
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		(1,495,275)	(759,942)
Net cash used in financing activities		(2,174,339)	(1,758,266)
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		2,503,301	1,580,197
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	3,434,477	2,503,301

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
		1,977,031	3,073,518
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
Profit before Taxation		2,249,684	1,864,222
Taxation	14	246,504	47,574
NET PROFIT		2,496,188	1,911,796

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	2,496,188	1,911,796
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
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	(81,154)	32,546
	(130,156)	56,228
Items that may be subsequently reclassified to profit or loss		
Changes in the fair value of debt instruments at fair value through other comprehensive income, net of taxation	(13,833)	(15,357)
	(13,833)	(15,357)
TOTAL COMPREHENSIVE INCOME	2,352,199	1,952,667

Company Statement of Financial Position

YEAR ENDED 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
		17,498,203	18,996,760
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
		9,421,717	6,772,541
		26,981,536	25,888,103

Company Statement Of Financial Position *(Continued)*

YEAR ENDED 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

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

Company Statement of Cash Flow

YEAR ENDED 31 DECEMBER 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2022 $'000	2021 $'000
Cash Flows from Operating Activities	35	2,510,825	2,448,666
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		774,054	2,747,934
Net cash provided by investing activities		2,965,989	2,768,404
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	(1,497,955)	(762,303)
Net cash used in financing activities		(4,640,680)	(4,378,571)
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		2,080,461	1,163,155
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	2,885,851	2,080,461

Notes to the Financial Statements

YEAR ENDED 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:

	Principal Activities	Proportion of Issued Equity Capital Held by	
Subsidiaries		**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%	-

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(c) (continued)

	Principal Activities	Proportion of Issued Equity Capital Held by Company	Proportion of Issued Equity Capital Held by Subsidiaries
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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 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 2023 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 waver 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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
(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).

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
(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.

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.

Notes to the Financial Statements

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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).

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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).

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

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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.

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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Notes to the Financial Statements

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4. Segmental Financial Information

The group is organised into three main business segments:

(a) Investments – This incorporates investment management and securities trading;

(b) Property management and rental – This incorporates the rental and management of commercial real estate.

(c) Hotel management – This incorporates the operation and management of a hotel

(d) 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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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	2,237,454	2,399,873	60,482	(399,412)	4,298,397
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	532,494	6,504,340	(10,399)	225,282	7,251,717
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	15,754,424	56,095,676	667,707	(4,743,273)	67,774,534
Segment liabilities	6,052,297	13,572,180	595,316	(4,743,273)	15,476,520
Other segment items:					
Capital expenditure	2,106,055	10,194	98,668	-	2,214,917
Depreciation	29,707	7,057	-	-	36,764

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5. Investment Income

	The Group		The Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'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
	(744,396)	2,071,183	1,925,006	3,024,889
Direct expenses				
Investment expense	(14,421)	(12,052)	(8,349)	(7,704)
	(758,817)	2,059,131	1,916,657	3,017,185

6. Property Income

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

7. Hotel Management Income

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

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8. Other Income

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'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
	135,536	140,595	60,374	56,333

9. Operating Expenses by Nature

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'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
	2,460,278	1,855,509	700,751	418,583

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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
	631,262	601,495	192,369	202,045

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	-	-	-
	804,247	-	-	-

(a) Staff costs

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and benefits	291,384	-	-	-
Statutory contributions	24,968	-	-	-
	316,352	-	-	-

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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
	1,025,204	914,415	975,849	862,819

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	-	25,530	-	29,685
Downing Street Realty Funds				
Consideration	-	370,453	-	-
Carrying value at disposal (Note 19)	-	(202,091)	-	-
Gain on disposal	-	168,362	-	-
New Castle Limited				
Consideration	2,266,864	-	2,266,864	-
Carrying value at disposal (Note 19)	(887,051)	-	(310,306)	-
Gain on disposal	1,379,813	-	1,956,558	-
Gain on disposal	1,379,813	193,892	1,956,558	29,685

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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)
	(420,625)	(20,570)	(246,504)	(47,574)

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 $'000	2021 $'000	2022 $'000	2021 $'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	(420,625)	(20,570)	(246,504)	(47,574)

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.

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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		
At 31 December 2022	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
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)		(130,692)			27,051	

	The Group			The Company		
At 31 December 2021	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
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)		8,977			(10,849)	

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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 ($'000)	4,746,095	7,202,801
Weighted average number of stock units in issue (thousands)	1,064,394	1,062,113
Basic and fully diluted earnings per stock unit ($)	$4.46	$6.78

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	(738,519)	1,259,128
	4,793,853	7,251,717

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	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'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)
	3,719,164	2,528,025	2,895,909	2,098,051
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)
	3,430,796	2,497,289	2,883,299	2,075,669

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.

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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
	625,952	1,145,479	579,447	1,084,723
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
	7,206,141	9,372,316	4,777,337	6,541,815
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
	451,996	305,457	796,710	652,022

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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	10,398,827	10,024,752

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)	463,184	254,444

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

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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 valuators. 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

	The Company	
	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

	Knutsford Holdings Limited		Scott's Preserves Limited	
	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	1,037,542	913,012	15,453	15,789

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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	36,127,459	37,995,085	7,364,184	7,600,639

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)	-	-
	34,698,503	35,768,348	6,377,529	6,377,529
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)	-	-
	-	829,293	-	310,306

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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)	-	-
	66,286	80,060	193,665	193,665
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)	-	-
	714,669	710,869	-	-
Business Process Outsourcing				
Balance at 1 January	565,693	524,302	606,361	606,361
Share of net profit	(4,312)	41,391	-	-
	561,381	565,693	606,361	606,361
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)	-	-	-
	86,620	40,822	186,629	112,778
Comprising:				
Share of net assets	34,383,907	36,146,610	-	-
Intangible assets (including goodwill)	1,743,552	1,848,475	-	-
	36,127,459	37,995,085	7,364,183	7,600,639

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

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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)

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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19. Investment in Subsidiaries and Associated Companies (Continued)

Investment in associated companies (continued)

Summarised statement of comprehensive income (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
2022						
Revenue	97,104,283	2,381,224	1,061,068	13,976,460	76,032	511,458
Depreciation and amortisation	2,604,846	59,757	117,291	949,165	-	82,913
Net investment/Interest income	17,378,861	-	7,446	-	-	28,908
Profit/(loss) from continuing operations	21,930,637	279,448	(39,355)	(28,745)	65,668	(52,009)
Taxation expense	(5,334,757)	-	-	-	-	(4,500)
Post tax profit/(loss) from continuing operations	16,595,880	279,448	(39,355)	(28,745)	65,668	(56,509)
Other comprehensive income	(9,953,254)	-	-	-	-	(34)
Non-controlling interest	(1,619,396)	-	-	-	-	-
Total comprehensive income	5,023,230	279,448	(39,355)	(28,745)	65,668	(56,543)
Dividends received from associate	1,890,299	35,382	-	-	-	-

	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						
Revenue	102,560,679	2,773,609	524,667	10,049,559	1,055,255	409,212
Depreciation and amortisation	2,719,286	57,338	117,377	660,793	-	19,400
Net investment/Interest income	27,961,643	-	3	-	-	17,045
Profit/(loss) from continuing operations	24,093,047	796,189	(206,620)	288,381	109,434	(115,964)
Taxation expense	(6,449,959)	-	-	(12,440)	-	1,613
Post tax profit/(loss) from continuing operations	17,643,088	796,189	(206,620)	275,941	109,434	(114,351)
Other comprehensive income	(4,497,187)	-	-	-	-	-
Non-controlling interest	(153,098)	-	-	-	-	-
Total comprehensive income	12,992,803	796,189	(206,620)	275,941	109,434	(114,351)
Dividends received from associate	1,308,701	65,689	-	-	-	-

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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.

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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

Notes to the Financial Statements

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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)	59,823	(255,934)	136,070	(145,101)

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	59,823	(255,934)	136,070	(145,101)

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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					
	Pension and other post employment benefits $'000	**Interest payable $'000**	**Stock compensation provision $'000**	**Unutilised tax losses $'000**	**Other $'000**	**Total $'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						
	Property, plant and equipment $'000	**Pension benefits $'000**	**Investment property $'000**	**Interest receivable $'000**	**Unrealised foreign exchange gains $'000**	**Investment securities $'000**	**Total $'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					
	Pension and other post retirement benefits $'000	**Interest payable $'000**	**Stock compensation provision $'000**	**Unutilised tax losses $'000**	**Other $'000**	**Total $'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					
	Property, plant and equipment $'000	**Retirement benefits $'000**	**Interest receivable $'000**	**Unrealised foreign exchange gains $'000**	**Unrealised trading gains $'000**	**Total $'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	570,750	392,420	431,635	378,871
	844,149	655,899	457,036	422,585
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	(472,673)	(631,306)	(300,645)	(522,952)
	(784,326)	(911,833)	(320,966)	(567,686)
Net assets/(liabilities)	59,823	(255,934)	136,070	(145,101)

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	752,927	745,917	-	-
	1,663,644	1,841,415	164,869	152,496

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.

Notes to the Financial Statements

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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	$'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).

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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).

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	1,588,234	967,119

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.

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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.

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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

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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	33,455	285,519	(115,559)	(240,780)

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	(1,539,633)	(1,657,660)	(786,641)	(839,630)
	(311,557)	135,003	(460,571)	(391,296)
Unrecognised asset due to asset ceiling	345,012	150,516	345,012	150,516
Liability/(asset) in the statement of financial position	33,455	285,519	(115,559)	(240,780)

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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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
	1,978,152	1,671,226	489,493	414,033
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
	(738,465)	131,931	(164,904)	50,764
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	1,228,076	1,792,663	326,070	448,334

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	1,539,633	1,657,660	786,641	839,630

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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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)
	345,012	150,515

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	79,711	66,285	524	(1,030)

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	5.50	5.00

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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)

2022	**Increase Assumption by One Year**	**Decrease Assumption by One Year**
Life expectancy	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)

2021	**Increase Assumption by One Year**	**Decrease Assumption by One Year**
Life expectancy	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.

Notes to the Financial Statements

YEAR ENDED 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

Notes to the Financial Statements

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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:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'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:

	The Group		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'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

Notes to the Financial Statements

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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)	48,669	50,033	7,235	7,679

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)

2022	Increase Assumption by One Year	Decrease Assumption by One Year
Life expectancy	5,414	(5,449)

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)

2021	Increase Assumption by One Year	Decrease Assumption by One Year
Life expectancy	14,204	(14,001)

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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
	1,539,633	100	1,657,660	100

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

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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.

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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.

Notes to the Financial Statements

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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	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'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)

Notes to the Financial Statements

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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
	431,851	375,014	165,947	178,967
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)	217,858	173,428	71,500	106,353
	292,751	216,209	144,548	145,631

(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	(41,048)	(43,684)	-	-
	461,943	528,557	-	-

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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27. Loan Liabilities

	Currency	Rate %	Repayable	The Group 2022 $'000	The Group 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
				13,953,132	13,594,422

Notes to the Financial Statements

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27. Loan Liabilities (Continued)

	Currency	Rate	Repayable	The Company 2022	The Company 2021
		%		$'000	$'000
Secured -					
(iv) Investment Bonds	J$	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
				13,432,234	13,005,731

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.

Notes to the Financial Statements

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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 No. '000	2021 No. '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
	8,098,573	6,538,686	

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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

	The Group		**The Company**	
	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	136,438	124,734	58,439	56,698

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	-	-
	(570,193)	4,383,503	1,174,930	1,237,765
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
	2,592,535	2,615,802	1,337,983	1,337,983

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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
	820,944	762,304
Special dividends declared for 2022 at $0.35 per stock unit (2021 – $0.285) - gross	373,155	303,856
	1,194,099	1,066,160
Less: Dividends on treasury stock	(2,115)	(2,926)
Total dividends declared	1,191,984	1,063,234
Dividends paid/declared by the company	1,497,955	762,303
Dividends paid/declared by the group	1,495,275	759,942

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

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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

Notes to the Financial Statements

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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)

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Company					
	% 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%	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)

Notes to the Financial Statements

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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						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'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)	

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'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)	

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'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	

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36. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December 2021:							
Financial assets							
Cash and 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	

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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 2022 $'000	Effect on Other Components of Equity 2022 $'000	Effect on Profit before Taxation 2022 $'000	Effect on Other Components of Equity 2022 $'000
Change in basis points:					
2022	**2022**				
JA$	US$				
+100	+100	23,147	(9,668)	25,200	(9,668)
-50	-50	14,201	5,026	11,388	5,026

		The Group		The Company	
		Effect on Profit before Taxation 2021 $'000	Effect on Other Components of Equity 2021 $'000	Effect on Profit before Taxation 2021 $'000	Effect on Other Components of Equity 2021 $'000
Change in basis points:					
2021	**2021**				
JA$	US$				
+300	+100	(65,194)	(53,577)	(53,357)	(53,577)
-50	-100	2,863	30,838	2,415	30,838

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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.

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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
	6,494,102	5,785,760	14,129,091	10,990,112
Credit risk exposures relating to assets not recorded on the statement of financial position				
Lease commitments	1,501,569	1,742,596	-	-

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.

Notes to the Financial Statements

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

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.

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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:

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

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

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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 $'000	**2021 $'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.

Notes to the Financial Statements

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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
	5,421,426	4,472,682	4,713,526	4,127,225

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.

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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.

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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 Bonds	Amortised cost Bonds	Loans	Repos	Deposits	Total
	$'000	$'000	$'000	$'000	$'000	$'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 Bonds	Amortised cost Bonds	Loans	Repos	Deposits	Total
	$'000	$'000	$'000	$'000	$'000	$'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

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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:

	The Group			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**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)

	The Company			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**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)

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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:

	The Group			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**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)

	The Company			
			Impact on ECL	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**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)

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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.

Notes to the Financial Statements

YEAR ENDED 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						
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**No Specific Maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'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 liquated 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.

Notes to the Financial Statements

YEAR ENDED 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						
	Within 1 Month	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**No Specific Maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'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)	

Notes to the Financial Statements

YEAR ENDED 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						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'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 liquated 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.

Notes to the Financial Statements

YEAR ENDED 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						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'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)	

Notes to the Financial Statements

YEAR ENDED 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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
(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 Value	Fair Value	Carrying Value	Fair 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

	The Company			
	Carrying Value	Fair Value	Carrying Value	Fair 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

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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
(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:

(a) Quoted prices in active markets for identical assets or liabilities (level 1).

(b) 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).

(c) 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	3,972,313	553,847	3,305,933	7,832,093
As at 31 December 2021				
Financial assets				
Investment securities	5,374,896	1,940,186	3,202,712	10,517,794

	The Company			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
As at 31 December 2022				
Financial assets				
Investment securities	3,566,844	402,844	1,387,096	5,356,784
As at 31 December 2021				
Financial assets				
Investment securities	4,582,450	1,773,581	1,270,507	7,626,538

There were no transfers between levels during the year.

Notes to the Financial Statements

YEAR ENDED 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
	3,305,933	3,202,712	1,387,096	1,270,507
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(168,678)	809,050	890	137,618
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(168,678)	809,050	890	137,618

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.

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2022
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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.

Top Ten Shareholdings

YEAR ENDED 31 DECEMBER 2022

	SHAREHOLDERS	STOCK HELD	OWNERSHIP
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 Number of Shareholders	5,287	

* Connected Parties

Interest Of Directors & Senior Managers

YEAR ENDED 31 DECEMBER 2022

SHAREHOLDINGS OF DIRECTORS

NAME	PERSONAL	CONNECTED PARTY
Christopher N. Barnes	113,680	NIL
Stephen B. Facey	34,820,975	417,718,967
Paul A. B. Facey	14,982,042	397,982,225
Paul R. Hanworth	1,737,606	NIL
Kathleen A. J. Moss	131,094	NIL
Ian S. C. Parsard	255,225	NIL
T. Matthew W. Pragnell	169,927	NIL
Angella M. Rainford	31,993	NIL
Joanna A. Banks	170,012	NIL

SHAREHOLDINGS OF SENIOR MANAGERS

NAME	PERSONAL	CONNECTED PARTY
Stephen B. Facey	34,820,975	417,718,967
Paul A. B. Facey	14,982,042	397,982,225
Joanna A. Banks	170,012	NIL
Karen L. Vaz	249,353	NIL
Philip W. Armstrong	90,000	NIL
Camelia M. Nelson	82,700	NIL
Claudette A. Ashman-Ivey	54,627	NIL
Eric G. Scott	NIL	NIL

NOTES

PANJAM
INVESTMENT LIMITED

PROXY FORM

I/We ____

of ____

being a Member(s) of **PANJAM INVESTMENT LIMITED** hereby appoint

____

of ____

or failing him/her ____

of ____

as my/our Proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the said Company to be held at the ROK Hotel, Downtown Kingston on Thursday **8 June 2023 3:00 p.m.**

SIGNED this ____________________ day of ______________________________2023

Signature______________________

(If executed by a Corporation, the Proxy should be sealed)

Resolutions	For	Against
1		
2		
3.1 (a)		
3.1 (b)		
3.2 (c)		
3.2 (d)		
3.2 (e)		
4		
5		

Place $100 Stamp Here

N.B. the instrument appointing proxy must be produced at the meeting or adjourned meeting at which it is to be used, and in default not to be treated as valid. The Proxy Form must be lodged at the Company's Registered Office not later than forty-eight hours before the meeting.

PANJAM
INVESTMENT LIMITED