

THE  
Barita  
BOND

PROSPECTUS



# INVITATION BY PROSPECTUS BY BARITA INVESTMENTS LIMITED

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## INVITING OFFERS FOR THE SUBSCRIPTION

Senior Unsecured Bonds having an aggregate principal amount of  
US\$11,000,000.00 and J\$2,250,000,000.00 collectively  
(with the ability to upsize by inviting offers for an additional US\$6,000,000.00 and J\$1,250,000,000.00)  
Issued by  
**Barita Investments Limited**  
(the “Company” or “Barita”)

TRANCHE	TRANCHE I	TRANCHE II	TRANCHE III	TRANCHE IV	TRANCHE V	TRANCHE VI	TRANCHE VII
Amount	Up to US\$5,500,000.00 with the option to upsize to US\$8,500,000.00	Up to US\$5,500,000.00 with the option to upsize to US\$8,500,000.00	Up to J\$450,000,000.00 with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00 with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00 with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00 with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00 with the option to upsize to J\$700,000,000.00
Tenor	Two (2) years	Three (3) years	Two (2) years	Three (3) years	Five (5) years	Seven (7) years	Ten (10) years
Coupon Rate	7.00% per annum	7.50% per annum	9.75% per annum	10.00% per annum	10.50% per annum	10.75% per annum	10.90% per annum

**Dated the 14<sup>th</sup> day of March 2025**

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act and was so registered on the 14<sup>th</sup> day of March 2025. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

A copy of this Prospectus was delivered to the Financial Services Commission for registration pursuant to section 26 of the Securities Act and was so registered on the 19<sup>th</sup> day of March 2025. The Financial Services Commission has neither approved the issue of this Prospectus nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

The Invitation is being made in Jamaica as a public offering of securities in accordance with the Companies Act, and the Securities Act in each case of Jamaica and is intended for use in Jamaica only and is not to be construed as making an invitation or offer to persons outside of Jamaica to subscribe for any New Bonds or other securities. This Invitation is not being made in any jurisdiction in which the offer to sell these securities to, or a solicitation of an offer to buy these securities from any person would violate the securities or other relevant laws of such jurisdiction. **No person is authorized to provide information or make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.**

# IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Unless stated otherwise, terms used in this Prospectus shall have the meanings attributed to them in **Section 2 - Definitions** of this Prospectus.

**Ordinary Shares of the Company are listed on the JSE (as defined herein) and prospective investors are invited and encouraged to view all Trade Information relating to the Company published on the JSE's website at [www.jamstockex.com](http://www.jamstockex.com).**

Investors are also invited to view the 2023 Annual Report for the Company at <https://www.barita.com/wp-content/uploads/2024/05/Barita-Annual-Report-2023.pdf>

A copy of the Audited Financial Statements for the Company for Financial Year ended September 30, 2024 has been inserted at Appendix 2 of this Prospectus.

The signatures of the **Directors of the Company** appear in **Section 22 – Signatures of Directors of the Company** of this Prospectus. The Directors of the Company are individually and collectively responsible for the contents of this Prospectus. To the best of the knowledge and belief of such Directors, the information contained in this Prospectus is factually correct and true and no information has been omitted that would make any statement in this Prospectus misleading or that is likely to otherwise materially affect its interpretation.

This Prospectus is issued by the Company to the public in Jamaica only.



# TIMETABLE OF THE INVITATION & KEY DATES

The instructions for applications to be used by all Applicants (as defined herein) are provided at **Appendix 1** of this Prospectus together with notes on how to complete the form. The Invitation will open at 9:00 a.m. on the Opening Date and will close at 4:00 p.m. on the Closing Date, subject to the right of the Company to: (a) close the Invitation at any time after 9:00 a.m. on the Opening Date, once the Invitation is fully subscribed, or (b) extend, for any reason, the period during which the Invitation shall remain open. In the case of the extension of such period or an early closing, notice will be posted on the website of the JSE at [www.jamstockex.com](http://www.jamstockex.com) and the Company's website at [www.barita.com](http://www.barita.com).

The timetable below is indicative and will be implemented on a best-efforts basis, with the Directors of the Company reserving the right, however, to change the dates that the Invitation opens and closes based on market conditions and other relevant factors as determined by the Company, subject always to statutory and regulatory obligations.

Publication of Prospectus	March 19, 2025
Opening Date	March 28, 2025
Closing Date	May 26, 2025 Subject to the right of the Company to designate an earlier or later date in the circumstances set out in this Prospectus
Expected dispatch of investor statements and any refund (if applicable)	Within 10 business days of Closing Date

# MESSAGE FROM THE CHAIRMAN TO PROSPECTIVE INVESTORS

## DEAR PROSPECTIVE INVESTORS:

Within the context of a complex global and local economy, Barita has delivered exceptional results, maintaining profitability while fortifying its commitment to financial prudence. As a testament to our strength, on December 5, 2024, Caribbean Information and Credit Rating Services Limited (“**CariCRIS**”) assigned Barita an Initial Issuer/Corporate Credit Ratings of CariBBB+ (Foreign Currency Rating) and CariA- (Local Currency Rating) on the regional scale, and jmA (Foreign Currency Rating) and jmA+ (Local Currency Rating) on the Jamaica national scale, with a stable outlook. This investment-grade rating underscores Barita’s robust financial foundation, prudent risk management, and resilience in a dynamic market environment.

Our recent financial performance further reflects the dedication and strategic execution of our management team and employees. Over the past financial year (FY 2024), Barita achieved a net profit after taxation (“**NPAT**”) of J\$3.82 billion, reflecting an 11.7% increase relative to FY 2023. This translated into earnings per share (“**EPS**”) of J\$3.17, up 11.2% from J\$2.85 in FY 2023.

This performance reflects the strategic, transformative leadership of Cornerstone Financial Holdings Limited (“**Cornerstone**”), which has supported Barita’s growth since it acquired a controlling stake in 2018. Our growth, anchored in client-centric innovation, talent development, and technological advancement, has solidified our position as a market leader. We extend profound gratitude to our shareholders, bondholders, clients, and other stakeholders for their unwavering trust, which remains pivotal to our continued success.

This bond offering is designed to position Barita to capitalize on high potential opportunities both domestically and internationally, while effectively adding capacity to our balance sheet. The proceeds from this bond issuance will be allocated toward:

- Refinancing existing debt, specifically, J\$84.15 million due and owing as at February 28, 2025 on Tranche 1 of the Unsecured Fixed Rate Bonds issued on February 28 and March 29, 2023.
- Funding strategic asset acquisitions to enhance our investment portfolio totaling J\$393.17 million and US\$2.20 million (J\$643.17 million and US\$3.40 million if upsized).

- Supporting trading of securities and investment banking deal execution to drive higher returns totaling J\$786.34 million and US\$4.40 million (J\$1.29 billion and US\$6.80 million if upsized).
- Strengthening our liquidity position to maintain Barita's position as a prudent capital allocator totaling J\$786.34 million and US\$4.40 million (J\$1.29 billion and US\$6.80 million if upsized).

This risk-measured strategy is aimed at delivering sustained shareholder value while ensuring resilience against potential economic fluctuations. As we move forward, Barita remains committed to excellence, innovation, and sound financial stewardship, ensuring long-term success for our clients and stakeholders alike.

We are therefore pleased to extend this Invitation to participate in Barita's continued growth journey.

## HOW TO MAKE AN APPLICATION FOR NEW BONDS

Investors who are interested in subscribing for New Bonds should read this Prospectus in its entirety, inclusive of the Risk Exposures detailed at **Section 15**, the trade information relating to the Company published on the JSE's website and then complete the application process for the New Bonds on the BOSS Platform (see **Appendix 1** for details).

All applications for New Bonds shall be made through the BOSS Platform or the online platform of a selling agent for the New Bonds. Prospective investors are invited and encouraged to view all trade information relating to the Company published on the JSE's website at [www.jamstockex.com](http://www.jamstockex.com).

Best regards,



**Mark Myers**

Chairman, Barita Investments Limited

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# 01

## **DISCLAIMER & ADVISORY ON FORWARD-LOOKING STATEMENTS**

## SECTION 1: DISCLAIMER & ADVISORY ON FORWARD-LOOKING STATEMENTS

### DISCLAIMER

Neither the Jamaica Stock Exchange (“**JSE**”), Financial Services Commission (“**FSC**”), Companies Office of Jamaica (“**COJ**”) nor any other Governmental agency or regulatory authority in Jamaica or elsewhere has made any determination on the accuracy or adequacy of this Prospectus.

The members of the Board, all of whose names appear in **Section 9**, are the persons responsible for the information contained herein. Having made all reasonable enquiries, and to the best of their knowledge and belief:

- (a) the information contained in this Prospectus is true and accurate in all material respects and is not misleading in any material respect;
- (b) any opinions, predictions or intentions expressed herein on the part of the Company are honestly held or made and are not deliberately misleading in any material respect;
- (c) that insofar as reasonably possible, all proper inquiries have been made to ascertain and to verify the foregoing; and
- (d) this Prospectus does not contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements herein, in light of the circumstances under which they are made, not misleading.

By submitting an Application, each Applicant acknowledges and agrees that:

- (a) they have received and have been afforded a meaningful opportunity to review all additional information considered by such Applicant to be necessary to verify the accuracy of the information contained in this Prospectus;
- (b) they have not relied on the Company nor any persons affiliated with the Company or the legal or other professional advisor(s) to the Company in connection with their investigation of the accuracy of such information or their investment decision; and
- (c) no person has been authorized to give information or to make any representation concerning the Company or the Invitation comprised in this Prospectus or the New Bonds as may be issued pursuant to this Prospectus or to provide information or to make any representation whatsoever in connection with this Prospectus (other than as contained in this Prospectus, and information given by duly authorized officers and employees of the Company in connection with the Applicant’s verification of the information

contained in this Prospectus) and that, if given or made, such other information or representation should not be relied upon as having been authorized by the Company or any affiliate.

Neither the delivery of this Prospectus nor the offering, sale or issue of any New Bonds hereunder shall under any circumstances imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

This Prospectus is not a recommendation by the Company that prospective Applicants should submit Applications for New Bonds. In making an investment decision, prospective Applicants are expected to make their own assessment of the Company and the terms of the Invitation herein, including the merits and risks involved.

No representation or warranty, expressed or implied, is made by any affiliate of the Company, the Arranger or by the legal or other professional advisors to the Arranger or the Company as to the accuracy or completeness of the information set forth herein, including, without limitation, information with respect to the Company, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation by them, whether as to the past or future. The legal and other professional advisors to the Company have not independently verified any such information and assume no responsibility for its accuracy or completeness.

This Prospectus contains summaries believed by the Directors to be accurate with respect to certain terms of certain documents, but reference should be made to the actual documents (copies of which will be available to prospective investors upon request made to the Company) for complete information with respect thereto, and all such summaries are qualified in their entirety by such complete information. Prospective investors are not entitled to rely on parts of information contained in this Prospectus to the exclusion of other parts of this Prospectus.

Each prospective investor should consult with their advisors as to the legal, tax, business, financial and related aspects of subscribing for the New Bonds in this Invitation. Notwithstanding the inclusion in this Prospectus of such information with respect thereto, which the Directors believe to be accurate, neither the Arranger nor their legal or other professional advisors nor the Company, or any of their respective representatives, is making any representation or providing any advice to any Applicant or any other person regarding legal, tax, business, financial and related aspects of any person's subscription for the New Bonds in this Invitation.

This Prospectus is intended for use in Jamaica only, and is not to be construed as extending an invitation to persons outside of Jamaica to subscribe for any of the New Bonds. The distribution or publication of this Prospectus and the invitation for subscription for the New Bonds outside of Jamaica is prohibited by law. The



Company requires that anyone receiving this Prospectus shall inform himself/herself about, and observe, such restrictions. This Prospectus does not constitute and may not be used for or in connection with, any offer to, or solicitation by, anyone in any jurisdiction other than Jamaica.

## ADVISORY ON FORWARD-LOOKING STATEMENTS

Save for the historical financial information relating to the Company presented by the Latest Audited Accounts, certain material in this Prospectus or referred to herein may contain forward-looking statements including, but not limited to, statements of expectations, future plans or future prospects, and financial projections. Forward-Looking Statements are statements that are not about historical facts and speak only as of the date they are made. Although the Board of Directors of the Company believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be different or materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ or differ materially from historical or anticipated results.

Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”. When used in this Prospectus, such words and similar expressions, as they relate to the Company and its business, or actual or intended business relationships, are intended to identify those forward-looking statements. By their very nature, forward-looking statements require the maker thereof to make assumptions and are subject to numerous inherent risks and uncertainties, which give rise to the possibility that (i) such predictions, forecasts, projections, expectations or conclusions as contained in such statements may not prove to be accurate, (ii) these assumptions may not be correct and (iii) these forward-looking statements may not be achieved.

Forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by, or on behalf of, the Company, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ or differ materially from those in the forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, economic, social and other conditions prevailing both within and outside of Jamaica.

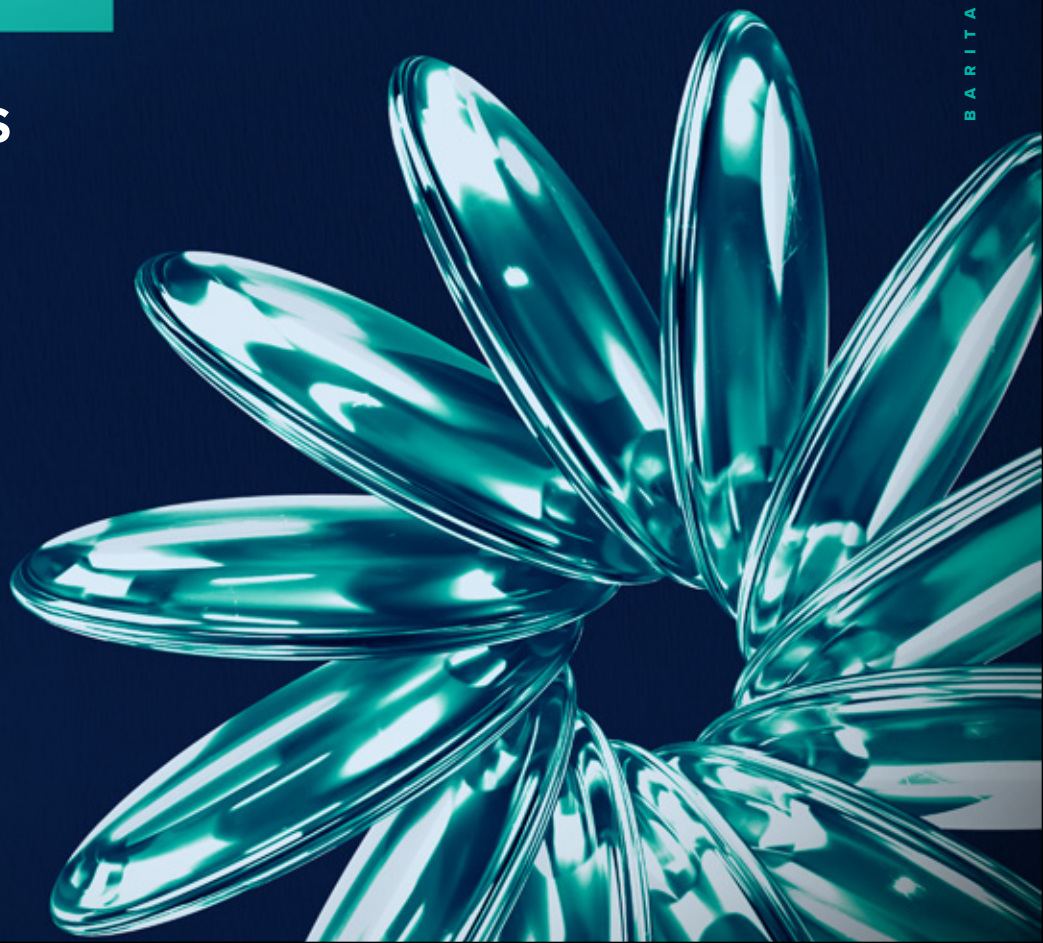
All phases of our business are subject to important uncertainties, risks and other influences, certain of which factors are beyond the Company's control. Any one of these factors, or a combination of them, could cause actual results to differ materially from those in forward-looking statements. These factors include, without limitation, the following:

- Economic, social and other conditions in any jurisdiction in which the Company may invest or operate, including actual rates of economic growth in such economies, local, regional or global instability, interest rate or exchange rate volatility;
- Adverse climatic events and natural disasters;
- The Company's ability to gain access to capital financing at an acceptable cost, or business opportunities that meet the Company's investment criteria;
- Changes in regulatory laws or policy adversely affecting the revenues or expenses of the Company or the business model expected to be employed by the Company;
- Any other factor(s) negatively impacting on the realization of the assumptions on which the Company's financial projections are based; and/or
- Other factors identified in this Prospectus.

We caution that the foregoing list of risk factors is not exhaustive and other factors not set out above could also adversely affect our results. Prospective investors should carefully consider the foregoing factors and other factors set forth in **Section 15** "Risk Exposure" before making an investment decision. When relying on our forward-looking statements to make decisions with respect to the Company, Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events.

# 02

## DEFINITIONS



## SECTION 2: DEFINITIONS

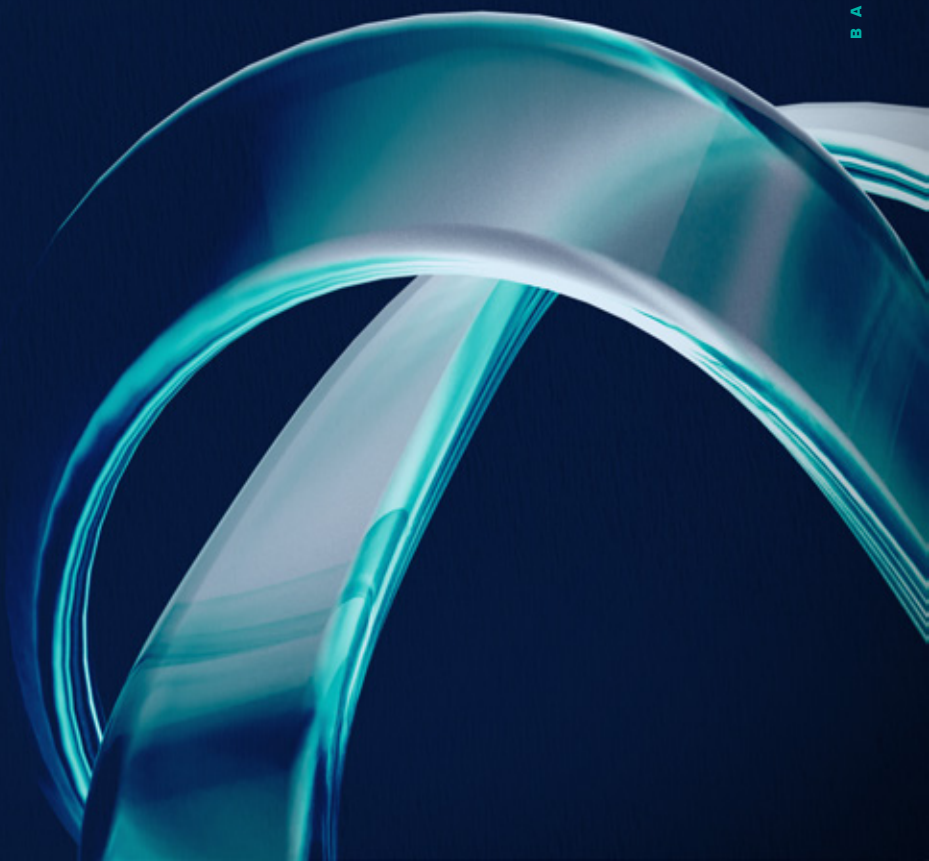
WORD OR PHRASE	DEFINITION
<b>Allotment</b>	The allocation and issuance of New Bonds to successful Applicants
<b>Applicant</b>	A person (being an individual or a body corporate) who submits an Application
<b>Application</b>	An application for New Bonds submitted in the manner set out in Appendix 1 to this Prospectus
<b>Application List</b>	The application list in respect of the Invitation
<b>Arranger</b>	Barita Investments Limited
<b>Articles</b>	The Articles of Incorporation of the Company
<b>Barita</b>	Barita Investments Limited
<b>The Board of Directors of the Company or The Board</b>	The Board of Directors of the Company whose signatures appear in <b>Section 22</b>
<b>Bond Market</b>	The trading platform for debt securities established by JSE
<b>Bondholder(s)</b>	Registered holder(s) of the New Bonds from time to time
<b>Bondholders' Majority</b>	At any time, one or more Bondholder(s) holding New Bonds having an aggregate principal value of more than 50.0% of all outstanding principal value of all the New Bonds
<b>Business Day</b>	A day other than a Saturday, Sunday or public general holiday in Jamaica on which banks are generally open for business in Jamaica
<b>Closing Date</b>	The date on which the Invitation closes, being 4:00 pm on May 26, 2025, subject to the right of the Company to shorten or extend the period during which the Invitation will remain open, in the circumstances set out in this Prospectus
<b>Company</b>	Barita Investments Limited

WORD OR PHRASE	DEFINITION														
The Companies Act	The Companies Act, 2004 of Jamaica, as amended from time to time														
Directors	The Directors of the Company														
FSC	The Financial Services Commission of Jamaica														
IFRS	International Financial Reporting Standards as adopted and applied in Jamaica by the Institute of Chartered Accountants of Jamaica														
Invitation	The invitation to apply to purchase New Bonds in the Company on the terms and conditions set out in this Prospectus														
Invitation Price or Price	100.0% of the principal face value of the New Bonds														
JCSD	Jamaica Central Securities Depository Limited, a wholly owned subsidiary of the JSE, incorporated under the laws of Jamaica to provide depository and settlement services for securities traded electronically on the floor of the JSE using a book entry system														
J\$ or JMD	Jamaican Dollars														
JSE	The Jamaica Stock Exchange														
JSE website	The website of the Jamaica Stock Exchange at <a href="http://www.jamstockex.com">www.jamstockex.com</a>														
Latest Audited Accounts	The Audited Accounts of the Company for the year ended September 30, 2024 posted on the JSE website														
Lead Broker	Barita Investments Limited will act on its own behalf in the implementation of the Invitation														
Maturity Date	<table><tr><th>Tranche I</th><th>Tranche II</th><th>Tranche III</th><th>Tranche IV</th><th>Tranche V</th><th>Tranche VI</th><th>Tranche VII</th></tr><tr><td>Two (2) years from the Issue Date</td><td>Three (3) years from the Issue Date</td><td>Two (2) years from the Issue Date</td><td>Three (3) years from the Issue Date</td><td>Five (5) years from the Issue Date</td><td>Seven (7) years from the Issue Date</td><td>Ten (10) years from the Issue Date</td></tr></table>	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Two (2) years from the Issue Date	Three (3) years from the Issue Date	Two (2) years from the Issue Date	Three (3) years from the Issue Date	Five (5) years from the Issue Date	Seven (7) years from the Issue Date	Ten (10) years from the Issue Date
Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII									
Two (2) years from the Issue Date	Three (3) years from the Issue Date	Two (2) years from the Issue Date	Three (3) years from the Issue Date	Five (5) years from the Issue Date	Seven (7) years from the Issue Date	Ten (10) years from the Issue Date									

WORD OR PHRASE	DEFINITION
<b>New Bonds</b>	Up to US\$11,000,000.00 and J\$2,250,000,000.00 unsecured bonds available for purchase in the Invitation (with the ability to upsize by inviting offers for an additional US\$6,000,000.00 and J\$1,250,0000,000.00)
<b>Opening Date</b>	The date on which the Invitation opens, being March 28, 2025
<b>Registrar</b>	Jamaica Central Securities Depository Limited
<b>Selling Agent(s)</b>	The persons listed in <b>Appendix 3</b> and any other licensed securities dealer approved by the Lead Broker to assist with the implementation of the Invitation
<b>US\$ or USD</b>	United States Dollars

# 03

## SUMMARY OF INVITATION



## SECTION 3: SUMMARY OF INVITATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices and the trade information published on the JSE’s website.

Potential investors are advised to carefully read this entire Prospectus and the trade information published on the JSE’s website, before making an investment decision about the transactions herein. Each recipient’s attention is specifically drawn to the **Disclaimer & Advisory on Forward-Looking Statements** in **Section 1**, and the Risk Exposure in **Section 15** of this Prospectus for purposes of determining whether or not to apply/subscribe for any New Bonds.

If you have any questions arising out of this document or if you require any explanations, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

TABLE 3.1

Issuer	Barita Investments Limited
Trustee	JCSD Trustee Services Limited
Lead Broker	Barita Investments Limited
Issuer’s Credit Rating	<p>The current CariCRIS credit rating for the Issuer is as follows:</p> <ul style="list-style-type: none"><li>• jmA+ (National Scale Local Currency)</li><li>• jmA (National Scale Foreign Currency)</li><li>• CariA- (Regional Scale Local Currency)</li><li>• CariBBB+ (Regional Scale Foreign Currency)</li></ul>
Securities to be Issued	<p>Senior Unsecured Bonds with the following tranches:</p> <ul style="list-style-type: none"><li>• 7.00% USD Senior Unsecured Bonds Due 2027 (Tranche I)</li><li>• 7.50% USD Senior Unsecured Bonds Due 2028 (Tranche II)</li><li>• 9.75% JMD Senior Unsecured Bonds Due 2027 (Tranche III)</li><li>• 10.00% JMD Senior Unsecured Bonds Due 2028 (Tranche IV)</li><li>• 10.50% JMD Senior Unsecured Bonds Due 2030 (Tranche V)</li><li>• 10.75% JMD Senior Unsecured Bonds Due 2032 (Tranche VI)</li><li>• 10.90% JMD Senior Unsecured Bonds Due 2035 (Tranche VII)</li></ul> <p>The Company intends to apply to have the New Bonds issued pursuant to the Invitation herein listed on the Bond Market of the JSE</p>



Table 3.1 (CONTINUED)

Amount	<ul style="list-style-type: none"> <li>• <b>Tranche I</b> - Up to Five Million, Five Hundred Thousand United States Dollars (US\$5,500,000.00), with the option to upsize to Eight Million Five Hundred Thousand United States Dollars (US\$8,500,000.00)</li> <li>• <b>Tranche II</b> - Up to Five Million, Five Hundred Thousand United States Dollars (US\$5,500,000.00), with the option to upsize to Eight Million Five Hundred Thousand United States Dollars (US\$8,500,000.00)</li> <li>• <b>Tranche III</b> - Up to Four Hundred and Fifty Million Jamaican Dollars (J\$450,000,000.00), with the option to upsize to Seven Hundred Million Jamaican Dollars (J\$700,000,000.00)</li> <li>• <b>Tranche IV</b> - Up to Four Hundred and Fifty Million Jamaican Dollars (J\$450,000,000.00), with the option to upsize to Seven Hundred Million Jamaican Dollars (J\$700,000,000.00)</li> <li>• <b>Tranche V</b> - Up to Four Hundred and Fifty Million Jamaican Dollars (J\$450,000,000.00), with the option to upsize to Seven Hundred Million Jamaican Dollars (J\$700,000,000.00)</li> <li>• <b>Tranche VI</b> - Up to Four Hundred and Fifty Million Jamaican Dollars (J\$450,000,000.00), with the option to upsize to Seven Hundred Million Jamaican Dollars (J\$700,000,000.00)</li> <li>• <b>Tranche VII</b> - Up to Four Hundred and Fifty Million Jamaican Dollars (J\$450,000,000.00), with the option to upsize to Seven Hundred Million Jamaican Dollars (J\$700,000,000.00)</li> </ul>
Tenor	<ul style="list-style-type: none"> <li>• <b>Tranche I</b> - Two (2) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche II</b> - Three (3) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche II</b> - Two (2) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche IV</b> - Three (3) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche V</b> - Five (5) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche VI</b> - Seven (7) years, from the Issue Date, subject to the Issuer's right of early redemption</li> <li>• <b>Tranche VII</b> - Ten (10) years, from the Issue Date, subject to the Issuer's right of early redemption</li> </ul>

**TABLE 3.1** (CONTINUED)

<b>Maturity Date</b>	<ul style="list-style-type: none"> <li>• Tranche I - Two (2) years from the Issue Date</li> <li>• Tranche II - Three (3) years from the Issue Date</li> <li>• Tranche III - Two (2) years from the Issue Date</li> <li>• Tranche IV- Three (3) years from the Issue Date</li> <li>• Tranche V- Five (5) years from the Issue Date</li> <li>• Tranche VI - Seven (7) years from the Issue Date</li> <li>• Tranche VII- Ten (10) years from the Issue Date</li> </ul>
<b>Coupon Rate</b>	<ul style="list-style-type: none"> <li>• Tranche I - 7.00% per annum</li> <li>• Tranche II - 7.50% per annum</li> <li>• Tranche II - 9.75% per annum</li> <li>• Tranche IV - 10.00% per annum</li> <li>• Tranche V - 10.50% per annum</li> <li>• Tranche VI - 10.75% per annum</li> <li>• Tranche VII - 10.90% per annum</li> </ul>
<b>Coupon Payment Frequency</b>	Quarterly on an actual/365-day (366 in a leap year) count basis
<b>Flexibility of Tranche Amount if the offer is oversubscribed:</b>	If any tranche is oversubscribed, the Issuer reserves the right to change the amount of each tranche of similar currency such that the aggregate amount does not exceed Seventeen Million United States Dollars (US\$17,000,000.00) for Tranches I and II and Three Billion Five Hundred Million Jamaican Dollars (J\$3,500,000,000.00) for Tranches III, IV, V, VI and VII, assuming an upsize has occurred.
<b>Invitation Price</b>	100.0% of principal face value
<b>Minimum Subscription Amount</b>	<p>Applicants must request a minimum of US\$500.00 for Tranche I and II. Applications above this amount shall be in multiples of US\$50.00</p> <p>Applicants must request a minimum of J\$50,000.00 for Tranche III, IV, V, VI and VII. Applications above this amount shall be in multiples of J\$1,000.00</p>

**TABLE 3.1** (CONTINUED)

<p><b>Use of Proceeds</b></p>	<p>Proceeds will be used as follows:</p> <ul style="list-style-type: none"> <li>• General Corporate Purposes to include: <ul style="list-style-type: none"> <li>– Refinancing existing debt, specifically, J\$84.15 million due and owing as at February 28, 2025 on Tranche 1 of the Unsecured Fixed Rate Bonds issued on February 28 and March 29, 2023;</li> <li>– Fund strategic asset acquisition totaling J\$393.17 million and US\$2.20 million (J\$643.17 million and US\$3.40 million if upsized);</li> <li>– Support trading of securities totaling J\$393.17 million and US\$2.20 million (J\$643.17 million and US\$3.40 million if upsized);</li> <li>– Strengthen liquidity totaling J\$786.34 million and US\$4.40 million (J\$1.29 billion and US\$6.80 million if upsized); and</li> <li>– Support investment banking deal execution totaling J\$393.17 million and US\$2.20 million (J\$643.17 million and US\$3.40 million if upsized).</li> </ul> </li> <li>• Settlement of transaction-related fees and costs totaling approximately J\$200.00 million.</li> </ul> <p>Disclaimer: The allocation of net proceeds as set forth in this section titled "Use of Proceeds" represents the Company's current intentions based on its assessment of prevailing market conditions, operational priorities, and strategic objectives at the time of this offering. Notwithstanding the stated allocations, the Company retains full discretion to determine the allocation of funds among the identified categories or to apply proceeds toward other corporate purposes, as it deems necessary or appropriate, in response to changing market dynamics, regulatory developments, or unforeseen business opportunities.</p> <p>Investors should therefore consider the stated use of proceeds as indicative rather than definitive. The Company will exercise its judgment in managing the deployment of capital to align with its overarching business strategy and to preserve financial and operational flexibility in the best interests of the Company and its stakeholders.</p>
<p><b>Default Coupon Rate</b></p>	<p>Coupon Rate +2.00% per annum</p>
<p><b>Default Coupon Calculation:</b></p>	<p>In the case of a default, the Trustee shall be entitled to calculate coupon payments due on a daily basis capitalized with monthly resets, on any payment made after the due date.</p>
<p><b>Redemption</b></p>	<p><b>Mandatory Redemption:</b></p> <p>The Issuer will be obligated to redeem all New Bonds outstanding in full on the Maturity Date.</p>

**TABLE 3.1** (CONTINUED)**Optional Redemption:**

**Tranches I and II:** At any time after issuance and before maturity the Issuer reserves the option to early redeem the New Bonds in full or in part subject to sixty (60) days' notice to the Trustee on behalf of Bondholders. This optional redemption is subject to a minimum of US\$700,000.00 and increments of US\$50,000.00.

**Tranches III, IV, V, VI and VII:** At any time after issuance and before maturity, the Issuer reserves the option to early redeem the bonds in full or in part subject to sixty (60) days' notice to the Trustee on behalf of Bondholders. This optional redemption is subject to a minimum of J\$100,000,000.00 and increments of J\$50,000,000.00.

The right to early redemption will be subject to the prepayment penalties outlined below:

Redemption  
(continued)

Redemption Period	Prepayment Penalty (% of Nominal)						
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Year 0-1	0.15%	0.30%	0.15%	0.30%	0.60%	0.90%	1.35%
Year 1-2	0.00%	0.15%	0.00%	0.15%	0.45%	0.75%	1.20%
Year 2-3	N/A	0.00%	N/A	0.00%	0.30%	0.60%	1.05%
Year 3-4	N/A	N/A	N/A	N/A	0.15%	0.45%	0.90%
Year 4-5	N/A	N/A	N/A	N/A	0.00%	0.30%	0.75%
Year 5-6	N/A	N/A	N/A	N/A	N/A	0.15%	0.60%
Year 6-7	N/A	N/A	N/A	N/A	N/A	0.00%	0.45%
Year 7-8	N/A	N/A	N/A	N/A	N/A	N/A	0.30%
Year 8-9	N/A	N/A	N/A	N/A	N/A	N/A	0.15%
Year 9-10	N/A	N/A	N/A	N/A	N/A	N/A	0.00%

TABLE 3.1 (CONTINUED)

<b>Mandatory Principal Repayment</b>	Prepayment of the outstanding New Bonds obligations shall be required in full in the event of a Change of Control of the Issuer, a Material Adverse Condition or an Event of Default.
<b>How Payable</b>	Tranches I and II: In full in United States Dollars through the payment method indicated by the investor in the Application. Tranche III, IV, V, VI and VII: In full in Jamaican Dollars through the payment method indicated by the investor in the Application.
<b>Collateral</b>	The New Bonds are unsecured.
<b>Financial Covenants</b>	<p>The Issuer will be subjected to testing against the financial covenant outlined below. Testing will be done on a semi-annual basis in accordance with IFRS accounting standards and to include the following:</p> <ul style="list-style-type: none"> <li>The Issuer will maintain the minimum regulatory capital required by the FSC: Minimum Regulatory Capital to Risk Weighted Assets: 10.0%</li> </ul> <p>The cure period to be observed in respect of any breach of the above shall be ninety (90) Business Days from the fiscal quarter end in relation to which one (1) or more such breaches have occurred.</p>
<b>Governing Law</b>	Laws of Jamaica
<b>Taxation</b>	<p>The Issuer will make all payments of principal and coupon in respect of the New Bonds in accordance with applicable laws.</p> <p>Each prospective investor should consult with an independent advisor as to the rate of taxes that is applicable to them.</p>
<b>Tax Status</b>	All payments by the Issuer shall be paid net of withholding taxes.
<b>Events of Default</b>	An event of default shall occur where the default (except in the case of non-payment of coupon or the principal repayment) is capable of being remedied and has not been remedied within ninety (90) Business Days of a written notice from the Trustee (on behalf of the Bondholders) to do so, which will result in the Trustee, on behalf of the Bondholders, having the right to demand settlement of the outstanding principal and any accrued and unpaid coupon in respect of the New Bond(s) from the Issuer.

**TABLE 3.1** (CONTINUED)

<p><b>Events of Default</b> <b>(continued)</b></p>	<p>The following shall constitute events of default:</p> <ol style="list-style-type: none"> <li>Non-payment of coupon or the principal repayment within seven (7) days of the due date in respect of which written notice of the sum due has been given to the Chief Executive Officer, and the Senior Vice President, Finance within fourteen (14) days of the due date;</li> <li>A change of control (sale of &gt;50.0% shareholding) of the Issuer without the prior written consent of a Bondholders' Majority, such consent not to be unreasonably delayed, conditioned or withheld. This restriction will not apply where any change of control with respect to the Issuer is required to facilitate any solvent amalgamation, reconstruction or reorganization required in compliance with the Banking Services Act, 2014 of Jamaica so long as the ultimate beneficial owners of the Issuer after such change shall remain substantially the same as the ultimate beneficial owners before the change;</li> <li>If the Issuer is bankrupt or insolvent within the meaning of the Insolvency Act or if the Issuer gives notice to any of its creditors that it has suspended or is about to suspend payment of its debts;</li> <li>The Issuer ceasing to operate as a going concern (where applicable);</li> <li>Any material misrepresentation by the Issuer in the transaction documentation related to the New Bonds;</li> <li>The occurrence of a material adverse change in the business environment or operations, performance, financial condition or prospects of the Issuer, which has had visible, material negative implications for the Issuer;</li> <li>The Issuer failing to materially comply with any covenants set out in the transaction documentation related to the New Bonds and such default shall be certified by the Trustee as being materially prejudicial to the interest of Bondholders; or</li> <li>If any amount owing by the Issuer to any financial institution or lender is not paid on the due date or becomes due or capable of being declared due before its specified maturity date by reason of breach or default under the terms of any agreement or instrument creating or evidencing the same or for any other reason whatsoever and such event is certified by the Trustee as materially detrimental to the interest of the Bondholders.</li> </ol>

TABLE 3.1 (CONTINUED)

<b>Material Adverse Condition</b>	<p>Bondholders reserve the right to demand repayment of the New Bonds where there is evidence of a Material Adverse Condition as evidenced by one or more of the following conditions:</p> <ul style="list-style-type: none"><li>i. Material non-compliance with terms and conditions of the New Bonds;</li><li>ii. Significant deterioration in or development of factors that are likely to substantially impair the viability of the business of the Issuer as evidenced by one or more of the following: cash flows, profits and tangible net worth, change of internal controls and management; and</li><li>iii. Bankruptcy.</li></ul>
<b>Application Guidelines</b>	See <b>Appendix 1</b>
<b>Listing of New Bonds on JSE</b>	<p>The Company intends to apply to have the New Bonds issued as a result of this Invitation listed on the Bond Market of the JSE and intends to make such application to the JSE in accordance with the Rules of the JSE as soon as conveniently possible following the Closing Date and the allocation of the New Bonds.</p> <p>This statement is not to be construed as a guarantee that the New Bonds will in fact be admitted to trading on the Bond Market of the JSE.</p>
<b>Gross Proceeds, Transaction Costs and Net Proceeds</b>	<p>The gross proceeds from the Invitation, assuming that it is fully subscribed and not upsized, will be approximately US\$11,000,000.00 and J\$2,250,000,000.00 (and, if fully upsized, will be US\$17,000,000.00 and J\$3,500,000,000.00) of which approximately J\$200,000,000.00 is expected to be used to pay transaction costs and a portion will be used to refinance existing debt. The net proceeds from the Invitation are expected to be US\$11,000,000.00 and J\$ 2,050,000,000.00 (or if fully upsized, US\$17,000,000.00 and J\$3,300,000,000.00).</p>

TABLE 3.2

<b>Estimated Timetable</b>	The below timetable is indicative and will be implemented on a best-efforts basis, with the Directors of the Company however reserving the right to change the dates that the Invitation remains open and closes based on market conditions and other relevant factors. Notice of any changes in the dates for the opening or closing of the Invitation will be given as soon as reasonably practicable via a press release in Jamaica and/or by posting a notice on the website of the JSE at <a href="http://www.jamstockex.com">www.jamstockex.com</a> or at the Company's website at <a href="http://www.barita.com">www.barita.com</a>
<b>Publication of Prospectus</b>	March 19, 2025
<b>The Opening Date</b>	9:00 a.m. on March 28, 2025
<b>The Closing Date</b>	4:00 p.m. on May 26, 2025
<b>Announcement of Basis of Allotment</b>	<p>Applications will be accepted on a "first come first served basis". If the Invitation is oversubscribed (after the exercise of the option to up-size, where applicable) it is likely that the New Bonds will be allocated on a pro rata basis, in which event Applicants may be allotted fewer New Bonds than were the subject of their Application(s). However, the Company (in the event of oversubscription) reserves the right to allot New Bonds on an alternative basis to be determined in its sole discretion including allotting a minimum of New Bonds to each Applicant and then allocating the excess on a pro rata basis or on such alternative basis as seems justifiable having regard to fairness and efficacy.</p> <p>The basis of allotment will be announced within six (6) business days after the Closing Date (or the extended Closing Date, as the case may be). All Applicants may refer to the confirmation instructions that will be posted on the JSE website (<a href="http://www.jamstockex.com">www.jamstockex.com</a>) and the Company's website (<a href="http://www.barita.com">www.barita.com</a>).</p>
<b>Returned Applications Refunds (if applicable)</b>	Amounts refundable to Applicants whose Application is not accepted, or whose Application is only accepted in part, will be refunded (less any applicable bank charges and processing fees) and will be returned within ten (10) working days/business days of the Closing Date, or as soon as practicable, in the manner set out in <b>Section 20</b> .



# 04

**PROFESSIONAL  
ADVISORS &  
SERVICE PROVIDERS  
TO INVITATION**



SECTION 4: PROFESSIONAL ADVISORS & SERVICE PROVIDERS TO THE INVITATION

LEGAL ADVISORS

MYERS, FLETCHER & GORDON

Attorneys-at-Law

21 East Street                      Tel: 876-922-5860  
Kingston

Primary Contacts

Ms. Hilary Reid  
Email: hilary.reid@mfg.com.jm

REGISTRAR

JAMAICA CENTRAL SECURITIES  
DEPOSITORY LIMITED

Registrar  
40 Harbour Street                      Tel: 876-967-3271  
Kingston

Primary Contacts

Ms. Andrea Kelly  
Email: andrea.kelly@jamstockex.com

LEAD BROKER

BARITA INVESTMENTS LIMITED

Arranger & Lead Broker

15 St. Lucia Way                      Website: www.barita.com  
Kingston 5                      Tel: 876-926-2681

Primary Contacts

Ms. Terise Kettle  
Email: t.kettle@barita.com

AUDITOR

BDO CHARTERED ACCOUNTANTS

Auditor  
26 Beechwood Avenue    Tel: 876-926-1616  
Kingston 5

Primary Contact

Mr. Balvin Vanriel  
Email: balvin.vanriel@bdo.com.jm

TRUSTEE

JCSD TRUSTEE SERVICES LIMITED

Trustee & Paying Agent

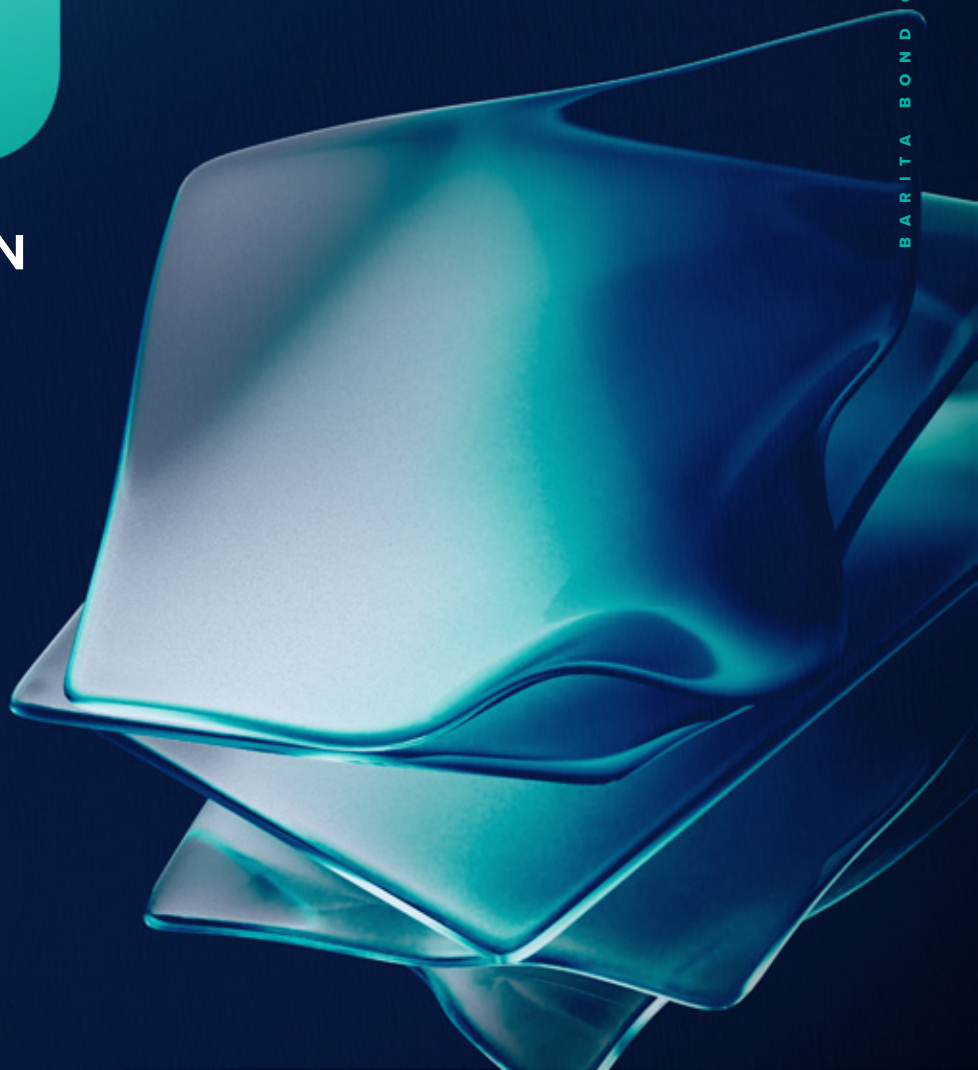
40 Harbour Street                      Tel: 876-967-3271  
Kingston

Primary Contacts

Ms. Andrea Kelly  
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# 05

## THE INVITATION



# SECTION 5: THE INVITATION

By a resolution of the Company’s Board dated March 12, 2025 the Company was authorized to invite the public in Jamaica to apply to purchase up to US\$11,000,000.00 and J\$2,250,000,000.00 of New Bonds issued by the Company, subject to the terms and conditions of this Prospectus. The New Bonds will, upon issue, rank *pari passu* to all other unsecured indebtedness of the Issuer and senior to any outstanding or future preference & ordinary shares. The Company’s borrowing powers are set out at **Appendix 5** and the Directors’ Resolution approving the Invitation is amongst the documents available for inspection.

## TRANCHES AVAILABLE FOR SALE

Tranche	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
<b>Amount</b>	Up to US\$5,500,000.00, with the option to upsize to US\$8,500,000.00	Up to US\$5,500,000.00, with the option to upsize to US\$8,500,000.00	Up to J\$450,000,000.00, with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00, with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00, with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00, with the option to upsize to J\$700,000,000.00	Up to J\$450,000,000.00, with the option to upsize to J\$700,000,000.00
<b>Tenor</b>	Two (2) years	Three (3) years	Two (2) years	Three (3) years	Five (5) years	Seven (7) years	Ten (10) years
<b>Coupon Rate</b>	7.00% per annum	7.50% per annum	9.75% per annum	10.00% per annum	10.50% per annum	10.75% per annum	10.90% per annum
<b>Maturity Date</b>	Two (2) years from the Issue Date	Three (3) years from the Issue Date	Two (2) years from the Issue Date	Three (3) years from the Issue Date	Five (5) years from the Issue Date	Seven (7) years from the Issue Date	Ten (10) years from the Issue Date

The Invitation will be with respect to up to US\$11,000,000.00 and J\$2,250,000,000.00 of New Bonds, however, the Directors reserve the right to elect to upsize the number of New Bonds made available for subscription by no more than an additional US\$6,000,000.00 and J\$1,250,000,000.00 of New Bonds in the event that the Invitation is oversubscribed. The Company also reserves the right to take up any sum less than the offer amount stated above.

The Application List will open at 9:00 a.m. on March 28, 2025 (the “**Opening Date**”) and will close on May 26, 2025 at 4:00 p.m. or such other date as may be fixed by the Board, (the “**Closing Date**”) subject to the Company’s right to close the Application List at any time without notice, if Applications have been received for the full amount of the New Bonds the subject of the Invitation. Applications are due within the period commencing on the Opening Date and ending on the Closing Date.

Subject to the provisions in this Prospectus, the Company reserves the right to extend the period during which the Invitation will remain open. Allocations may be made on a prorated basis, within six (6) business days after the Invitation is closed, and an announcement will be made informing successful Applicants of their allocation of New Bonds.

Applications should be made in accordance with the procedure set out at **Appendix 1** of this Prospectus and can be downloaded from the websites of the JSE at [www.jamstockex.com](http://www.jamstockex.com) and the Company at [www.barita.com](http://www.barita.com). Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date, and will be deemed to have been received at the commencement of the Invitation.

The Invitation will close at 4:00 p.m. on the Closing Date subject to the right of the Company to: (a) close the Invitation at any time after it opens at 9:00 a.m. on the Opening Date once the Invitation is fully subscribed; or (b) extend the period during which the Invitation will remain open for any reason. In the case of the extension of such period or an early closing, notice will be posted on the website of the JSE at [www.jamstockex.com](http://www.jamstockex.com) and/or on the Company's website at [www.barita.com](http://www.barita.com).

Each Application for New Bonds must be for a minimum of US\$500.00 or J\$50,000.00 of New Bonds and amounts above this shall be in multiples of US\$50.00 or J\$1,000.00 respectively of New Bonds (depending on the Tranche). Each New Bond is priced at 100.0% of the principal face value of the amount applied for and payment for the full amount for the New Bond applied for must be remitted to the Lead Broker or Selling Agent, as the case may be, in accordance with the procedure for applying for New Bonds and the Terms and Conditions of the Invitation as set out in **Appendix 1** and **Section 20**, respectively.

The completed Application must be received by 4:00 p.m. on the Closing Date. Each Application must be accompanied/supported by payment for the full amount of the purchase price for the New Bonds in the manner set out in Appendix 1.

It is the intention of the Company to apply to the JSE for the New Bonds to be admitted to trading on the Bond Market of the JSE after the close of the Invitation. However, please note that this is a statement of intent and not a guarantee that the New Bonds will be so listed. The Company cannot guarantee that any of the New Bonds will be admitted to trading. If the application is successful, it is anticipated that the New Bonds will be admitted to trading within twenty one (21) days of the Closing Date (or the extended Closing Date, as the case may be).

## THE NEW BONDS

On the Issue Date, the Company will issue to the Trustee, which will be deposited with the JCSD, a single Global Bond with respect to each tranche of New Bonds in the principal amount purchased by all Bondholders in such tranche up to the applicable maximum for such tranche and the JCSD will issue a depository receipt to each Bondholder. If any tranche is oversubscribed, the Issuer reserves the right to change the amount of each tranche of similar currency such that the

aggregate amount does not exceed Seventeen Million United States Dollars (US\$17,000,000.00) for Tranches I and II and Three Billion, Five Hundred Million Jamaican Dollars (J\$3,500,000,000.00) for Tranches III, IV, V, VI and VII, assuming an upside has occurred. The forms of Global Bonds are set out in **Appendix 6** hereto.

## TRUST DEED

The New Bonds will be issued pursuant to a Trust Deed between the Company and JCSD Trustee Services Limited. Pursuant to the Trust Deed, JCSD Trustee Services Limited (the “Trustee”) has been appointed trustee for the benefit of Bondholders. The Trustee’s rights, powers and duties are set out in the Trust Deed and the Trust Deed contains the customary covenants of the Issuer to maintain its good standing, pay its taxes, keep proper books of account, and provide financial information and reports 60 days after each financial quarter and 120 days in the case of the audited financial statements.

## INTEREST ON THE NEW BONDS

The New Bonds will bear interest at the Coupon Rates stated above (but during the subsistence of an Event of Default, the Default Coupon Rate stated above will apply) with respect to each tranche. The coupon with respect to each tranche of the New Bonds shall be paid quarterly in arrears, commencing on the date three (3) months after the Issue Date of each New Bond and will be calculated on an actual/365-day (366 in a leap year) count basis, except that the final coupon payment will be made on the Maturity Date. In the case of a default, the Trustee shall be entitled to calculate coupon payments due on a daily basis, capitalized with monthly resets, on any payment made after the due date.

## PRINCIPAL ON THE NEW BONDS

Principal, together with any accrued interest, will be due and payable on the relevant Maturity Date applicable to each tranche of the New Bonds. In addition, prepayment of the outstanding New Bond obligations shall be required in full in the event of a change of control of the Issuer, a Material Adverse Condition or an Event of Default.

## OPTIONAL PREPAYMENT OF THE NEW BONDS

At any time after issuance and before maturity, the Issuer reserves the option to early redeem the New Bonds in full or in part subject to sixty (60) days’ notice to the Trustee on behalf of Bondholders. This optional redemption is subject to a minimum of US\$700,000.00 and increments of US\$50,000.00, in the case of Tranches I and II and a minimum of J\$100,000,000.00 and increments of J\$50,000,000.00, in the case of Tranches III, IV, V, VI and VII. In addition, the right given to the Issuer to early redeem the New Bonds will be subject to the prepayment penalties outlined below:

Redemption Period	Prepayment Penalty (% of Nominal)						
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Year 0-1	0.15%	0.30%	0.15%	0.30%	0.60%	0.90%	1.35%
Year 1-2	0.00%	0.15%	0.00%	0.15%	0.45%	0.75%	1.20%
Year 2-3	N/A	0.00%	N/A	0.00%	0.30%	0.60%	1.05%
Year 3-4	N/A	N/A	N/A	N/A	0.15%	0.45%	0.90%
Year 4-5	N/A	N/A	N/A	N/A	0.00%	0.30%	0.75%
Year 5-6	N/A	N/A	N/A	N/A	N/A	0.15%	0.60%
Year 6-7	N/A	N/A	N/A	N/A	N/A	0.00%	0.45%
Year 7-8	N/A	N/A	N/A	N/A	N/A	N/A	0.30%
Year 8-9	N/A	N/A	N/A	N/A	N/A	N/A	0.15%
Year 9-10	N/A	N/A	N/A	N/A	N/A	N/A	0.00%

## COLLATERAL AND RANKING

The New Bonds constitute unsecured obligations of the Company. Consequently, a Bondholder's right to payment of coupon and principal at the scheduled times is not secured against a particular asset of the Company.

The New Bonds will rank *pari passu* to all other unsecured indebtedness of the Issuer and senior to any outstanding or future preference and ordinary shares.

## NEGATIVE COVENANTS

The Trust Deed contains negative covenants usual for bonds of this nature, including, but not limited to, covenants on the part of the Issuer that it shall not undertake any of the following without the prior written consent of a Bondholders' Majority, such consent not to be unreasonably withheld or delayed:

- a. Change of control (sale of >50.0% of shareholding) of the Issuer, provided however that this restriction will not apply where any change of control with respect to the Issuer is required to facilitate any solvent amalgamation, reconstruction or reorganization required in compliance with the Banking Services Act, 2014 of Jamaica so long as

the ultimate beneficial owners of the Issuer after such change shall remain substantially the same as the ultimate beneficial owners before the change; and

- b. No additional indebtedness to be undertaken by the Issuer while the Issuer is in breach of any covenants under the Trust Deed.

## EVENTS OF DEFAULT

A summary of the Events of Default which would allow the Trustee, on behalf of the Bondholders, to demand immediate payment of all principal and interest on the New Bonds is set out in **Section 3** above.

Except in the case of non-payment of coupon or the principal repayment, the Company has a cure period of ninety (90) Business Days of a written notice from the Trustee (on behalf of the Bondholders) to do so, to cure any breach capable of being remedied, and if such breach is not remedied within such period, only then will an Event of Default occur.

Upon (i) receipt of a notice or certificate from the Company or a Bondholders' Majority that an Event of Default has occurred and is continuing or (ii) upon the occurrence and continuance of an Event of Default by reason of non-payment of any sum payable to the Bondholders or the Trustee as aforesaid (after giving effect to any grace period applicable thereto or service of any requisite notice upon the Company or issuing of any certificate), then, the Trustee shall summon one or more meetings of Bondholders or otherwise poll Bondholders to determine by Bondholders' Majority whether any one or more or all of the following action(s) shall be taken by the Trustee on behalf of Bondholders:

- a. making a demand for payment under the New Bonds; and/or
- b. declaring the principal sum owing on the New Bonds (with accrued interest thereon) and all other amounts owing in respect thereof be due and payable forthwith, whereupon the same shall immediately become due and payable; and/or
- c. taking legal proceedings against the Company on behalf of Bondholders; and/or
- d. taking any one or more Enforcement Actions (including the appointment of a receiver); and/or
- e. take any other action deemed appropriate.



## SALE AND RESALE RESTRICTIONS

This Prospectus has been registered with the Financial Services Commission on March 19, 2025 and Registrar of Companies on March 14, 2025 and is intended for use in Jamaica only and is not to be construed as an invitation to any person outside of Jamaica to subscribe or apply for any of the New Bonds. Pursuant to the said Prospectus, the Bonds are tradable debt securities that are freely tradable in electronic format to members of the general public who have a valid JCSD account in multiples of US\$50.00, in the case of Tranches I and II, and J\$1,000.00, in the case of Tranches III, IV, and V, VI and VII.

# 06

## INFORMATION ABOUT THE COMPANY



## SECTION 6: INFORMATION ABOUT THE COMPANY

Barita Investments Limited is a publicly traded company on the JSE, 75.7% owned by Cornerstone (as at September 30, 2024). Founded by Rita Humphries-Lewin in 1977, the Company has the distinction of being one of the oldest stock-broking companies in Jamaica. The Company is licensed by the FSC as a securities dealer and a trust services provider, is a member dealer of the JSE and has been designated as a primary dealer by the BOJ and licensed by the BOJ as a cambio.

Barita, home of one of Jamaica's top-performing equity funds, has a legacy of excellence, and is recognized for its strong position in the middle market retail segment products and for Unit Trust performance.

Products and services include:

- ▶ **CAMBIO TRADING**
- ▶ **FIXED INCOME TRADING**
- ▶ **STOCK BROKERAGE**
- ▶ **POOLED FUNDS MANAGEMENT**
- ▶ **STRUCTURED PRODUCTS**
- ▶ **RETIREMENT PLANNING**
- ▶ **WEALTH MANAGEMENT**
- ▶ **INVESTMENT BANKING**

Through its subsidiary, Barita Unit Trusts Management Company Limited ("**BUTM**"), Barita currently offers seven (7) unit trust products spanning fixed income, equities and real estate.

Barita serves its clients island-wide through its head office in Kingston and branches in Mandeville and Montego Bay. Barita handles over J\$404.90 billion of assets under management ("**AUM**") as reported in the audited financial statements as at September 30, 2024, with a team of approximately 161 full-time staff members across its operations island-wide as at September 30, 2024.

On December 5, 2024, CariCRIS, the Caribbean’s regional credit rating agency, assigned Initial Issuer/ Corporate Credit Ratings to Barita. The ratings can be found below:

- jmA+ (National Scale Local Currency)
- jmA (National Scale Foreign Currency)
- CariA- (Regional Scale Local Currency)
- CariBBB+ (Regional Scale Foreign Currency)

On the foreign currency regional scale, Barita’s level of creditworthiness is deemed by CariCRIS to be “adequate” while on the local currency (JMD) regional scale the level of creditworthiness is deemed to be “good”. On the national scale ratings (both local and foreign currency) the level of creditworthiness is deemed to be “good”. CariCRIS has also assigned a stable outlook on the ratings.

The factors supporting the ratings include:

- **STRONG MARKET POSITION**
  - Barita is one of the oldest stockbroking firms in Jamaica with operations spanning over 40 years;
  - CariCRIS estimates that as at December 2023, Barita held 14.0% of Jamaica’s securities industry assets, making the Company a distinctive player in the local industry; and
  - CariCRIS estimates that Barita is the 2<sup>nd</sup> largest of the 7 primary dealers designated by the BOJ by total assets.
- **INVESTMENTS IN IMPROVING EFFICIENCY AND CUSTOMER ENGAGEMENT**
  - In 2019, Barita introduced “Barita BOSS” which was established as a user interface through which clients can invest in public offerings;
  - In 2021, Barita launched “Bari the Bot”, an online digital customer assistant, available 24/7 on its website, to improve customer engagement with further enhancements being made in 2023 which enabled clients to initiate updated and provide feedback;
  - In 2023, the Company launched a revamped “Barita Goal-Setting Products and Services” (“**Barita GPS**”) which recommends an investment portfolio mix to clients based on their personalized investment goals and risk appetite; and
  - In November 2022, phase 1 of Barita’s new core implementation project was completed for its cambio business. Phases 2 and 3 are currently underway and this entails the implementation of a single platform across all business functions. This is expected to be completed by December 2026.

Full implementation of Barita's new core platform is expected to facilitate, amongst other things, greater scalability, vulnerability management, deeper analysis, and enhanced reports.

- **SUPPORT FROM PARENT COMPANY**

- Barita benefits from receiving strategic support from the Cornerstone Group of Companies. The parent company provides support to Barita, including financial reporting, investment management, human resource management, legal and compliance functions;
- According to CariCRIS, in the medium term, Barita is expected to benefit from cost savings in its operations through the utilization of shared resources as the Cornerstone Group of Companies reorganizes and expands; and
- The Cornerstone Group of Companies is also able to support Barita through contingency funding, if required.

- **GOOD GOVERNANCE STRUCTURE AND RISK MANAGEMENT PRACTICES**

- Barita's Board of Directors comprises of three (3) sub-committees namely: i) Audit Committee, ii) Board Investment Committee and iii) Corporate Governance and Conduct Review Committee. Each sub-committee is composed of independent directors;
- Over the last year, the Enterprise Risk Management ("ERM") policies and procedures were strengthened to support enhanced monitoring and oversight in the areas of market, compliance and regulatory risks given the challenges faced in the local and global financial markets;
- Emphasis has been placed on cybersecurity by updating Information Technology ("IT") policies and procedures, frequent penetration testing to assess vulnerabilities and mitigate against attacks and training of staff members; and
- Barita also adheres to and remains compliant with Anti-Money Laundering/Counter Financing of Terrorism and Foreign Account Tax Compliance Act guidelines, which support the maintenance of good investment relationships.

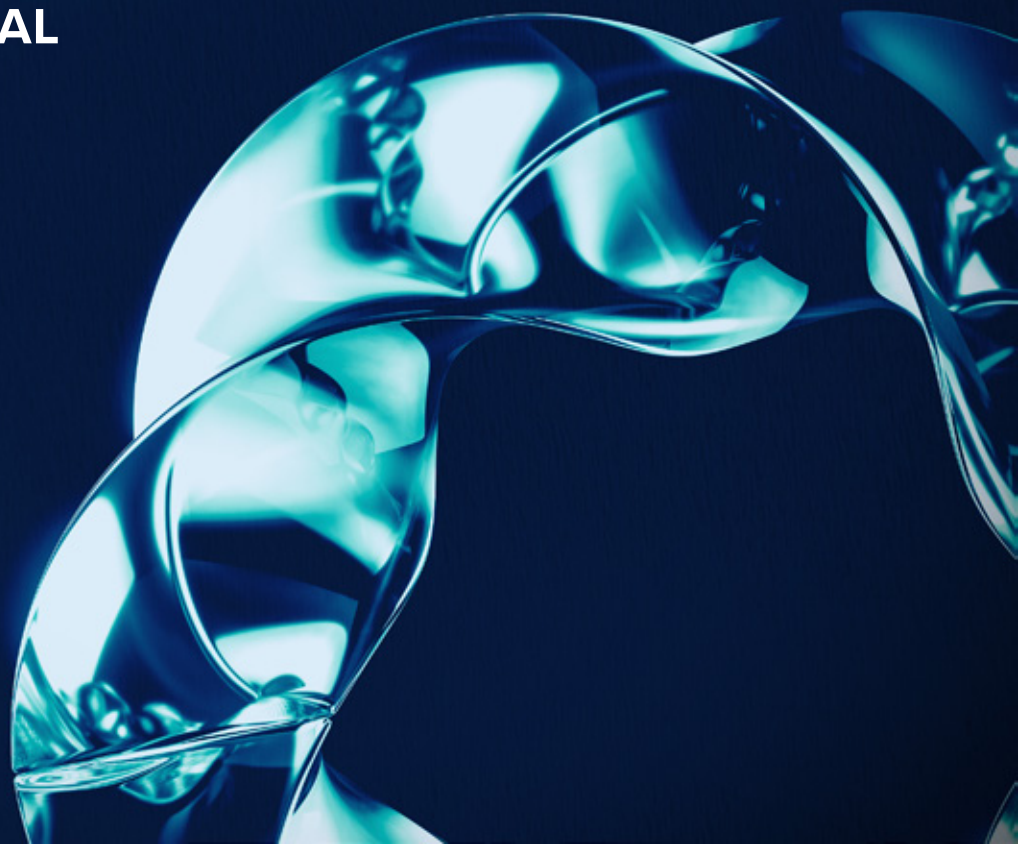
- **STRONG CAPITALIZATION**

- Barita has maintained a history of good capitalization with regulatory capital adequacy ratios in excess of the regulatory minimum of 10.0%. As at September 2024, Barita recorded a capital adequacy ratio of 25.5%; and
- As at December 2023, Barita accounted for approximately 24.5% of the Jamaican securities industry's total capital.

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# 07

## SHARE CAPITAL STRUCTURE



SECTION 7: SHARE CAPITAL STRUCTURE

The share capital of the Company as at September 30, 2024 is divided as follows:

CLASS	AUTHORIZED
Authorized ordinary shares at no par value	14,000,000,000
Authorized Preference Shares	1,000,000,000

Shareholdings in the Company as at September 30, 2024 are as follows:

DESCRIPTION	NUMBER OF ISSUED ORDINARY SHARES
Issued and fully paid Ordinary Shares (converted to stock units)	1,220,388,243
Issued Preference Shares	100,000,000
Total	1,320,388,243

TOP 10 LARGEST SHAREHOLDERS

As at September 30, 2024 the top ten shareholders on the Company’s register of members are as follows:

TOP 10 SHAREHOLDERS	NO. OF SHARES	% SHAREHOLDING
Cornerstone Financial Holdings Limited	923,560,965	75.68%
First Citizens Investment Services Limited	90,545,154	7.42%
Rita Humphries-Lewin	26,319,240	2.16%
Credit Union Fund Management Company Limited	17,127,519	1.40%
Cornerstone Group Employee Share Trust	14,135,242	1.16%
Tweedside Holdings Limited	14,073,348	1.15%
National Insurance Fund	8,191,553	0.67%
Trevor Heaven Holdings Limited	7,787,075	0.64%
Barita Unit Trusts Management Company Limited	6,274,458	0.51%
Karl P. Wright	6,217,218	0.51%
Sub-total	1,114,231,772	91.30%
Other Shareholders	106,156,471	8.70%
Total	1,220,388,243	100.00%



# 08

## DIVIDEND POLICY



## SECTION 8: DIVIDEND POLICY

The Company is guided by the FSC’s regulatory minimum capital adequacy ratio requirements in making any dividend declaration. Dividend considerations are supported by rigorous risk-based impact analyses on the Company’s financial health to include solvency, capital adequacy and liquidity risk impact along with the Company’s position relative to internal and regulatory capital thresholds. Dividend declaration considerations are also in keeping with the Companies Act.

The record of dividends declared to the Company’s ordinary shareholders is as follows (information for financial years 2018-2024 is in respect of the ordinary shares of the Company):

FINANCIAL YEAR	J\$ GROSS DIVIDEND DECLARED	J\$ DIVIDEND DECLARED PER SHARE
2018 - 2019	1,311,900,000.00	2.197
2019 - 2020	1,828,207,000.00	2.216
2020 - 2021	4,098,152,000.00	3.775
2021 - 2022	3,692,895,000.00	3.026
2022 - 2023	0.00	0.00
2023 - 2024	4,394,618,063.00	3.601

# 09

**THE BOARD OF  
DIRECTORS OF  
THE COMPANY**



## SECTION 9: THE BOARD OF DIRECTORS OF THE COMPANY



**MARK MYERS** CD

**Chairman**

An astute businessman, Mark is the Managing Director of Restaurants of Jamaica Ltd. Mark holds a Bachelor of Science degree in Operations, Transportation and Distribution Management from Syracuse University's School of Management. A believer in contributing to the development of his country, he has served on several boards to include the BOJ, Jamaica Trade and Invest and the Jamaica Observer. Mark is the recipient of the Commander of the Order of Distinction for his contribution to the business sector of Jamaica.



**PAUL SIMPSON** CD, MBA

**Deputy Chairman**

Paul is the Founder, President and CEO of Cornerstone. He is an Investment Banker with over 18 years' experience having worked in the Caribbean, the United States and Europe in various roles. He has a track record of driving transformational growth through entrepreneurship, value creation, mergers & acquisitions, founding successful local and regional companies, and guiding portfolio companies from launch to full actualization of their intrinsic value. He has served on various government, private and charity boards including the Youth Arm of UNESCO, YMCA and the Jamaica Tourist Board where he was the Chairman of the Finance and Audit Committee.

Paul's exceptional contributions to the Jamaican banking sector have earned him the distinguished honor of being conferred with the Order of Distinction at the Rank of Commander (CD) by the Jamaican Government.

He holds a Bachelor of Science degree (double major) in Computer Science and Geology and an MBA in General Management from the University of the West Indies.

## THE BOARD OF DIRECTORS OF THE COMPANY (CONTINUED)



### JAMES GODFREY

#### Director

James is the Co-Founder and Managing Director of S&G Road Surfacing Materials Limited. With over 30 years of entrepreneurial experience, James has built the entity into one of Jamaica's leading asphalt manufacturing and road work solutions companies. Since its inception, S&G Road Surfacing Materials Limited's portfolio of completed projects includes parking lots, driveways, multipurpose courts, roadways, roundabouts and related infrastructure projects in partnership with the National Works Agency, Gore Development Ltd. and China Harbour Engineering Corporation.



### DUNCAN STEWART

#### Director | Chairman Investment Committee

Duncan is the General Manager of Stewart's Motors Limited and he is also involved in leading related family businesses, Stewart's Auto Sales Limited and its affiliated companies, Stewart's Auto Paints Limited, Tropic Island Trading Company Limited and Silver Star Motors Limited. Duncan is also a director of the Automobile Dealers Association and the Richard and Diana Stewart Foundation. Currently, he is a sponsor of the family charity, Kind Hearts, which is run by his children and their cousins.



### PHILLIP LEE

#### Director

Phillip is Group Managing Director for the companies owned and operated by the Lee family. These include Labels & Boxes Limited and Rotoflex Jamaica Limited which are the leading manufacturers of labels and packaging materials in Jamaica. Phillip has over 30 years of experience in the industry and his companies supply many of the largest Jamaican manufacturers, including GraceKennedy Limited, Red Stripe and Salada Foods Jamaica Limited. He has been involved in numerous successful packaging projects for these companies and continues to be consulted by the owners of major brands for his expertise.



## THE BOARD OF DIRECTORS OF THE COMPANY (CONTINUED)



### CARL DOMVILLE

**Director | Chairman  
Audit Committee**

Carl is the former Chief Operating Officer and Group Treasurer of the Seprod Group of Companies. A Chartered Accountant, he is a trustee of the Seprod *et al* Superannuation Scheme. He is also a former President of the Jamaica Cooperative Credit Union League Limited, a former Chairman of The Gleaner Company (Media) Limited and a former director of Radio Jamaica Limited (“RJR”).



### JASON CHAMBERS

**Director**

Jason is the Chief Investment Officer of Cornerstone Group. He has over 23 years of experience, spanning the range of securities trading, investment and treasury management, corporate finance, and corporate banking. Most recently, Jason held the position of Vice President of Investment Management at the GK Capital Management Ltd., a member of the GraceKennedy Group. Jason also headed the Corporate Banking Unit within First Global Bank Ltd. and was also a member of the senior management teams of the securities dealing subsidiaries of Guardian Holdings. Jason is a graduate of the University of the West Indies, where he obtained degrees in Economics and Business Administration. Jason has also obtained a Master of Science degree from the University of London.



### ROBERT DRUMMOND

**Director**

Robert is a business executive and management consultant with over 30 years of experience leading and advising organizations through major strategic transformations. He has held executive appointments at prominent companies in Jamaica and the US, including First Global Financial Services Limited, NIKE, American Express and ITT Sheraton. As a strategy implementation specialist, he has contributed significantly through his research and publications including “Managing Resistance to Change” and “Organizational Turnarounds”. He holds an MBA from Harvard Business School.



## THE BOARD OF DIRECTORS OF THE COMPANY (CONTINUED)



### PETER GOLDOSN

**Director | Chairman  
Corporate Governance &  
Conduct Review Committee**

Peter is the Senior Partner at Myers, Fletcher & Gordon, one of Jamaica's premier law firms with over thirty-five (35) years' experience in the profession. He is a well-respected commercial attorney with a broad experience across several areas including mergers and acquisitions, hotel developments and sales, capital markets and advising on regulatory matters.



### STEPHANIE STERLING

**Company Secretary**

Stephanie joined Barita in March 2020 as Legal Counsel and is now Group Head of Legal. Prior to being called to the Bar, Stephanie gained financial advisory experience as a Consultant at PricewaterhouseCoopers and garnered commercial law experience as an Attorney-at-Law at Myers, Fletcher, & Gordon and Debbie-Ann Gordon & Associates. She holds a BA (Economics and History) from Stanford University, LLB (Hons) from the University of London and a Legal Education Certificate from the Norman Manley Law School. Stephanie has also obtained a Master of Laws (Banking and Finance Law) (Merit) from the University of London. Currently, Stephanie is the Chairperson of the Jamaica Business Development Corporation and the National Compliance Regulatory Authority.



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# 10

## THE MANAGEMENT OF THE COMPANY





## SECTION 10: THE MANAGEMENT OF THE COMPANY

### EXECUTIVE SUPPORT FROM THE PARENT COMPANY (CORNERSTONE FINANCIAL HOLDINGS LIMITED)



**PAUL SIMPSON** CD, MBA

**Founder, President and Chief Executive Officer**

Paul is the Founder, President and CEO of Cornerstone. He is an Investment Banker with over 18 years' experience having worked in the Caribbean, the United States and Europe in various roles. He has a track record of driving transformational growth through entrepreneurship, value creation, mergers & acquisitions, founding successful local and regional companies, and guiding portfolio companies from launch to full actualization of their intrinsic value. He has served on various government, private and charity boards including the Youth Arm of UNESCO, YMCA and the Jamaica Tourist Board where he was the Chairman of the Finance and Audit Committee.

Paul's exceptional contributions to the Jamaican banking sector have earned him the distinguished honor of being conferred with the Order of Distinction at the Rank of Commander (CD) by the Jamaican Government.

He holds a Bachelor of Science degree (double major) in Computer Science and Geology and an MBA in General Management from the University of the West Indies.



**JASON CHAMBERS** MSc.

**Group Chief Investment Officer**

Jason is the Chief Investment Officer of Cornerstone Group. He has over 23 years of experience, spanning the range of securities trading, investment and treasury management, corporate finance, and corporate banking. Most recently, Jason held the position of Vice President of Investment Management at the GK Capital Management Ltd., a member of the GraceKennedy Group. Jason also headed the Corporate Banking Unit within First Global Bank Ltd. and was also a member of the senior management teams of the securities dealing subsidiaries of Guardian Holdings. Jason is a graduate of the University of the West Indies, where he obtained degrees in Economics and Business Administration. Jason has also obtained a Master of Science degree from the University of London.

## MANAGEMENT OF THE COMPANY (CONTINUED)



**GAVIN JORDAN** MSc., CPA

**Group Chief Operating Officer**

Gavin has over 23 years of accounting and financial management experience, spanning the financial services, food manufacturing and distribution sectors. Gavin is the Chief Operating Officer for the Cornerstone Group, prior to which he served as Group Chief Financial Officer. Prior to joining Cornerstone, Gavin spent in the USA as Chief Financial Officer for GraceKennedy's North American operations. He was the CFO for GraceKennedy Foods (USA) and Divisional CFO, GK Foods before that. At GK Foods, Gavin provided financial leadership to the subsidiaries in the Foods Division both locally and internationally; supported the development of the division's strategy and the evaluation of various strategic initiatives. Gavin was also Finance Director and Company Secretary of Carreras and CFO of First Global Bank, where he was ultimately responsible for the day-to-day operations of the accounting and financial reporting functions. Gavin holds a BSc. in Accounting and Economics from the University of the West Indies, a Master of Science degree in Financial Management from the University of London and is also a Certified Public Accountant. He is a member of the American Institute of the Certified Public Accountants and the Colorado State Board of Accountancy.



**DANE BRODBER** CFA, CAIA, FRM, MBA

**CEO Designate Financial Holding Company & Acting CEO,  
Cornerstone Trust and Merchant Bank Limited**

Dane has over 20 years of experience in the financial industry with extensive experience in Market Risk, Strategy and Business Intelligence. Dane was Regional Director, Market Risk Management at Scotiabank, with responsibility for the governance of market risk exposures throughout the English-Speaking Caribbean. Dane earned undergraduate degrees in Mechanical Engineering and Economics & Business from Lafayette College and an MBA from the University of New Orleans. He earned the CFA Charter in 2006, the Financial Risk Manager designation in 2007, and the Chartered Alternative Investments Analyst designation in 2019. Dane is the founding Vice President of CFA Society Jamaica and has been a CFA exam tutor at B&B University College since 2010 in the areas of Corporate Finance, Derivatives, and Quantitative Methods.

## MANAGEMENT OF THE COMPANY (CONTINUED)



**STEPHEN PHILLIBERT** MBA, CFA

Group Chief Financial Officer

Stephen recently joined Cornerstone as CFO. In this capacity he is responsible for the financial operations of the group, including financial reporting, capital and operational budgeting, tax management and financial controls. Stephen provides support on projects of strategic significance. Prior to joining the group, Stephen held a number of senior roles during a combined tenure of approximately 16 years with two other well-known Jamaican corporate entities, primarily in the areas of finance, strategy, mergers & acquisitions. He holds an MBA from the University of Toronto as well as the Chartered Financial Analyst designation.



**STEPHANIE MURDOCK** MSc., PMP, SMC

Chief Human Resource Officer

Stephanie joins us from the National Export Import Bank of Jamaica Limited where she was General Manager, Corporate Services with responsibility for HR, Administration, Procurement and IT. She was the Director, HR Management at the Ministry of Foreign Affairs & Foreign Trade. With 20 years' experience in the areas of HR, Change Management, Leadership Development and Industrial Relations, Stephanie pursued undergraduate & graduate degrees at the University of the West Indies and Post Graduate Certification in Public Policy from Peking University, China. She also has the Project Management Professional (PMP) designation. In 2015, Stephanie was recognized as one of seven Jamaicans to participate in the Advanced Leadership Development Programme – Canada Caribbean Emerging Leaders Dialogue, sponsored by McGill University.

## MANAGEMENT OF THE COMPANY (CONTINUED)



**STEPHANIE STERLING** LLB, LEC, LLM

**Group Head of Legal,  
Cornerstone United Holdings Jamaica**

Stephanie joined Barita in March 2020 as Legal Counsel and is now Group Head of Legal. Prior to being called to the Bar, Stephanie gained financial advisory experience as a Consultant at PricewaterhouseCoopers and garnered commercial law experience as an Attorney-at-Law at Myers, Fletcher, & Gordon and Debbie-Ann Gordon & Associates. She holds a BA (Economics and History) from Stanford University, LLB (Hons) from the University of London and a Legal Education Certificate from the Norman Manley Law School. Stephanie has also obtained a Master of Laws (Banking and Finance Law) (Merit) from the University of London. Currently, Stephanie is the Chairperson of the Jamaica Business Development Corporation and the National Compliance Regulatory Authority.



**PERCIVAL HURDITT** MSc., PGP-AI ML, ChFP

**Group Data Insight & Impact Leader**

Percival holds two key roles: Data Insight and Impact Leader at the Cornerstone Group and acting Chief Operations Officer for Cornerstone Trust & Merchant Bank. With over 20 years of experience in the financial sector, he has worked in various positions including: Economist and Senior Risk Manager at top institutions. Percival's educational journey includes a program in Artificial Intelligence from the University of Oxford, England. He also studied Artificial Intelligence and Machine Learning at the University of Texas, Austin. He is also certified as a Financial Technology Professional by the Global Academy of Finance and Management and completed the Leadership and Organizational Development Program at the NCB Group.

He earned his degrees - a Bachelor of Science in Economics and Statistics (first class honours), and a Master of Science in Economics (distinction) - from the University of the West Indies, Jamaica. Beyond his professional life, Percival co-founded Integrated Diaspora Services Limited, IDS LLC, and IDF Foundation, focusing on serving the Jamaican Diaspora and boosting economic growth.

## MANAGEMENT OF THE COMPANY (CONTINUED)



**SEBRENA FREEMAN** MSC., CISA, CRISC,  
Group Chief Audit Executive

Sebrena joined us from Bank of Nova Scotia Jamaica Limited where she served as the Director of Operational Risk, Caribbean (North & Central). Her experience in financial services spans more than twenty (20) years in the areas of Non-Financial Risk Management, Financial Accounting & Internal Audit. She holds an MSc. in Enterprise Risk Management from Mona School of Business and Management (Distinction), a Bachelor of Business Administration (BBA) in Finance, and International Business (Hons.) from the University of Technology and earned the Certified Information Systems Auditor (CISA) and the Certified Risk & Information Systems Control (CRISC) designations in 2011 from the Information Systems Audit & Control Association (ISACA).



**WAHED KHAN** CFA, CPA  
Deputy Chief Financial Officer

Wahed joined the Cornerstone team in 2023 and is an experienced finance professional with a demonstrated history of working in the financial services industry. Skilled in US GAAP, Budgeting and Forecasting, SQL Server, Securities, Portfolio Analytics & Reporting, Partnership Tax, Systems Implementation, Investor Relations, Investor Reporting, Operational Risk Management and SEC Compliance. Wahed holds the CFA and CPA professional certifications.

# MANAGEMENT OF THE COMPANY (CONTINUED)



## STEFANO D'AMBROSIO MBA

Director Digital Strategy and Innovation

An entrepreneur with over 10 years' experience translating business needs to tangible technological solutions, Stefano is leading innovation efforts at CTMB. He is a former CTO in FinTech start-ups and a Director for Digital Channels solutions for the Financial Services Industry.

Stefano holds an MBA from Kellogg School of Management and a BSc. in Computer Engineering from Universidad Simón Bolívar.

## THE BARITA LEADERSHIP TEAM



### RAMON SMALL-FERGUSON

**CFA, FRM, CAIA, MSc.,  
Chief Executive Officer**

Ramon is currently the Chief Executive Officer, Barita Investments Limited & Managing Director, Barita Unit Trusts Management Company Limited. He joined the Cornerstone Group in 2019 as VP, Asset Management & Research at Barita Investments Limited from the Jamaica National Group where he was Chief Investment Strategist and Head of Research at the Group's investment subsidiary. His professional background spans the areas of Investment Research, Treasury & Portfolio Management, Corporate Strategy and Investment Banking. He currently serves as a Director on the Investment Advisory Board of the Salvation Army Caribbean Territory, a member of the Board and the Chairman of the Audit & Compliance Committee of the Council of Voluntary & Social Services, the umbrella arm for charities in Jamaica, and is an Alternate Director of the Jamaica Stock Exchange. He is also the sitting President of the Jamaica Securities Dealers' Association (JSDA), the industry level group for investment banks in Jamaica. Mr. Small-Ferguson has earned the Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA), and Certified Financial Risk Manager (FRM) designations. He also holds a Bachelor of Business Administration (BBA), Finance & Marketing (Hons) from the University of Technology, Jamaica and a Masters of Science in Quantitative Management (MSQM) from NYU Stern Business School, New York University.



### SONIA OWENS MBA

**Vice President, Treasury and Financial Institutions**

Sonia joined Barita Investments in 1984 and held several positions over the years including Trading and Investments Manager, culminating in her most recent promotion to Vice President, Treasury & Financial Institutions. She holds a B.Sc. in Banking and Finance from the University of the West Indies, has attended several professional training courses with JIM, JIB, CI Financial and Euro Finance and has completed an MBA at Edinburgh Business School.

## THE BARITA LEADERSHIP TEAM (CONTINUED)



**RICHARDO WILLIAMS** MSc.  
**Vice President, Asset Management and Research**

Richardo is Vice President at Barita Investments Limited with responsibility for Asset Management and Research. In this role he leads a team that supports all the revenue generating business lines and clients by providing research insights and analysis. He also has strategic responsibility for Barita's Off-book business. His roles at Barita have included AVP Investment Strategy and Portfolio Advisory and Head of Investment Research and Portfolio Advisory. Prior to Barita, he worked as an assistant investment manager with the ATL Group Pension Fund, research and structured products analyst and a Corporate Wealth Advisor, both at NCB Capital Markets. His experience also spans ICT communications regulation and policy as an economist at the Broadcasting Commission, as well as an economist with the Ministry of Tourism where he did significant preparatory work for the Tourism Workers' Pension Scheme. He has an MSc in Economic Development Policy and a BSc in economics and statistics.



**ANMARIE WALKER CATO** MBA, FCCA  
**Senior Vice President, Finance**

Anmarie has spent much of her life cultivating expertise across multiple areas of finance and accounting. Today she stands as our Senior Vice President, Finance, having also held the positions of Assistant Vice President, Finance at Proven Wealth Limited, Senior Manager – Financial Control at First Global Bank Limited (FGB) and many more. A highly-qualified businesswoman, Anmarie holds a B.Sc. in Accounting and Management Studies from UWI, an MBA from Florida International University (FIU) and is an ACCA-certified Chartered Accountant.



## THE BARITA LEADERSHIP TEAM (CONTINUED)



**IAN ANDERSON** MBA

**Vice President - Information Technology**

Ian joined Barita as Head, Non-Financial Risk & Enterprise Risk Management on June 1, 2020. Prior to his posting at Barita, Ian spent the majority of his career at Scotiabank Jamaica, where he served in varying capacities for over seventeen years. Ian earned an MBA in Management Information Systems from the Mona School of Business and a Bachelor of Science degree in Computer Science from the University of the West Indies.



**TERISE KETTLE** MBA

**Senior Vice President, Investment Banking**

Terise is the Senior Vice President, Investment Banking at Barita Investments Limited, where she leads a team focused on raising capital and providing strategic advice to local, regional and international clients. With over 20 years of experience in the financial sector, she has successfully executed several monumental transactions over her career. Terise began as an external auditor at PricewaterhouseCoopers (PwC) and has held several key positions at the National Commercial Bank Jamaica Limited, RBC (Jamaica) Limited and prior to joining Barita, she held the position of Assistant Vice President, Corporate & Commercial Banking at Sagicor Bank Jamaica Limited. Terise holds an MBA (Distinction) in Banking and Finance from the University of the West Indies, along with a Bachelor of Science (Honours) in Management Studies and Accounting. Additionally, she has also successfully completed several post-graduate certifications in Project Management, Portfolio Management, Credit Risk Management and Advanced Credit Certification including Financial Accounting for Lenders and Complex Accounting for Corporations. Outside of her professional pursuits, Terise serves as a Director of the Student Loan Bureau (SLB) since 2019 and enjoys swimming and running.

## THE BARITA LEADERSHIP TEAM (CONTINUED)



**SARA HENRIQUES** MBA

**Senior Vice President, Operations**

Sara joined Barita on October 1, 2020 as Head of Operations. Prior to joining Barita, Sara garnered a wealth of experience in Treasury & Asset Management Operations within the financial services sector. She holds an MBA and Bachelor of Science degree in Business Management from the University of Technology both with a major in Finance.



**GEOFFERY ROMANS** ASA, MBA, CFCI

**Senior Vice President, Risk Management**

Geoffery is a senior Risk Management executive with over 10 years risk management experience within the Caribbean Region. His vast risk management experience spans banking, insurance, treasury operations, off-shore banking and investment for multiple entities. He is formerly from the Bank of Nova Scotia Jamaica Limited and a founding member of Scotiabank's English Caribbean Market Risk Unit where he served in varying roles such as Senior Manager Interest Rate Risk and Balance Sheet Management and most recently, Regional Director, Market Risk Management. He earned his MBA in Financial Management Specialty from Heriot-Watt University, Scotland, UK and his BSc in Mathematics (1st Class Hons) from the University of the West Indies.

## THE BARITA LEADERSHIP TEAM (CONTINUED)



**DAVE DIXON** MBA, FCIB

**Senior Vice President, Sales and Services**

Dave joined Barita, with over 25 years in the financial industry. Prior to joining Barita Dave was the Director for Sales and Service at Scotia Investments Jamaica Limited having progressively been entrusted with increased responsibilities for leading sales teams at Scotia Group in the last fifteen years. Dave brings to the role significant experience in sales leadership, wealth management and distribution of Mutual Funds and Unit Trusts, business development along with strong leadership skills having led multi-functional sales teams. Dave is responsible for leading Barita's retail branch network, customer experience, and developing retail strategic sales plans based on the company's goals. Dave is a Fellow of the Institute of Canadian Bankers ( F.I.C.B ) and holds a Master in Business Administration with a specialism in finance from the Heriot-Watt University.

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**SANCIA THOMPSON** MBA

**Vice President, Premium Wealth & Corporate Solutions**

Sancia joined Barita, with over 20 years in the financial industry. Her sales career commenced as a Financial Advisor at JN Fund Managers Limited, where she grew her assigned portfolio through consultative selling and portfolio advisory services. She has held several leadership roles within Sagcor Group Jamaica Limited and more recently as Regional Manager at NCB Capital Markets Limited. Sancia brings to the role significant experience in wealth management and distribution, new product development, business development along with strong leadership skills having led multi-functional teams. She is responsible for developing strategic sales plans based on the company's goals by creating bespoke sales experiences delivered by an innovative and passionate team. She holds a Bachelor in Business Administration from the University of Technology and attended Florida International University where she attained a Master in Business Administration.

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## THE BARITA LEADERSHIP TEAM (CONTINUED)



**KERRIE BAYLIS LLB**

**Vice President, Strategic Business Development and Investor Relations**

Kerrie is the Vice President of Strategic Business Development and Investor Relations at Barita Investments Limited, where she leads efforts to drive growth, build strategic partnerships, and enhance investor relations. Kerrie holds a Law Degree with honors from the University of Surrey in the United Kingdom. She has over 12 years of industry experience, having begun her career into finance with early mentorship and training at Morgan Stanley. Kerrie joined Barita in 2019 during a pivotal period of growth, where she launched the company's Wealth Management division. Under her leadership, the division grew from a small client base to Barita's top-performing unit in just two years, solidifying her reputation as a results-driven leader. In her current role, Kerrie collaborates with various departments including sales, investment banking, and asset management to identify key relationships and business opportunities for Barita while also supporting on broader business development initiatives for the wider Cornerstone Group.

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**LERONE PALMER MSc.**

**Head, Compliance**

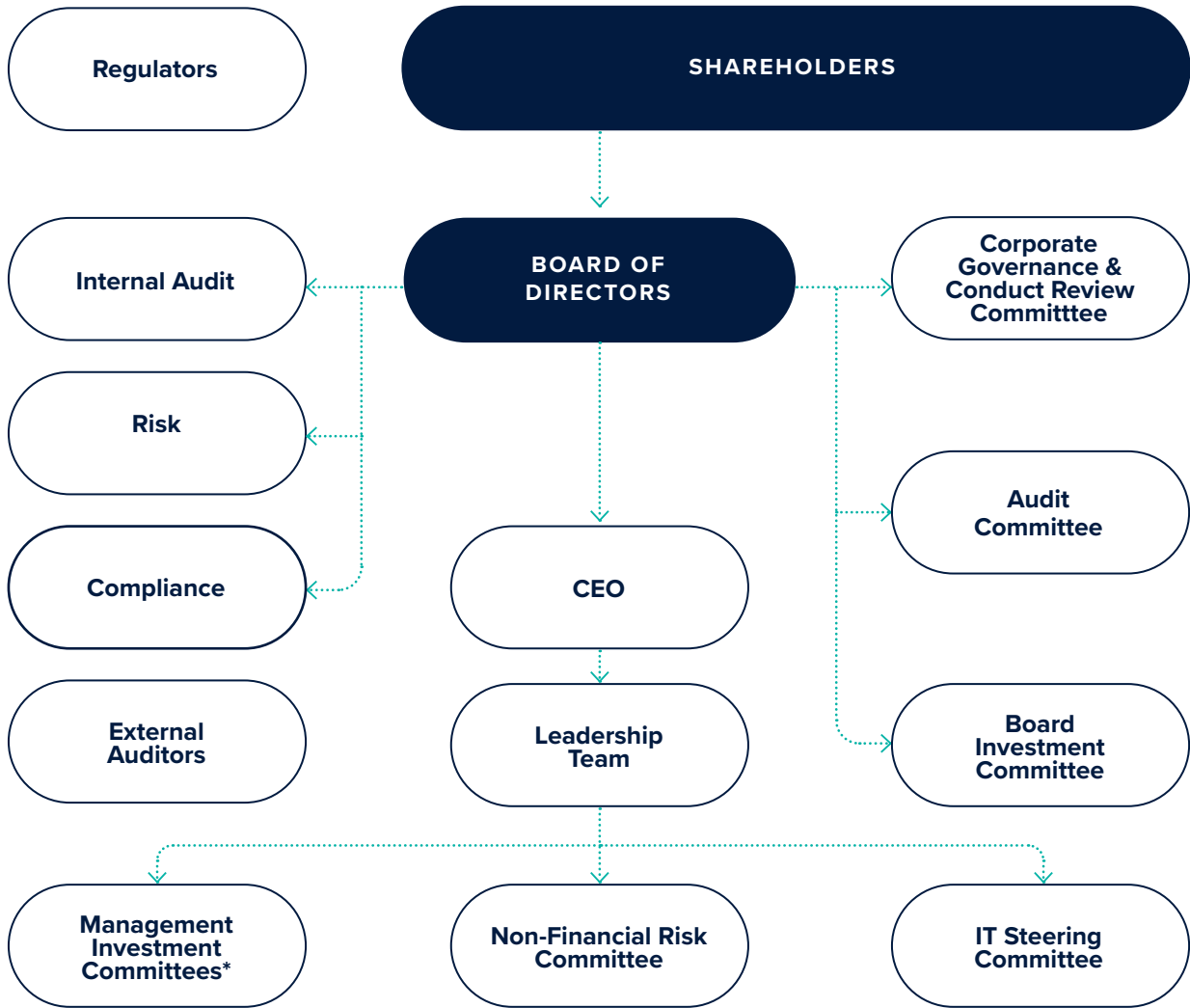
Lerone holds a significant position in the financial industry. He serves as the Head of Compliance at Barita Investments, where he utilizes over 15 years of experience in compliance roles, including previous work at Scotiabank. His expertise is crucial in ensuring that the institution adheres to regulatory requirements, thereby safeguarding client investments and maintaining financial integrity. Lerone has also pursued academic excellence, having completed a Masters with distinction in Enterprise Risk Management from the University of West Indies and holds other postgraduate certifications.

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# 11

## GOVERNANCE FRAMEWORK

# Our Governance Framework



\*The Management Investment Committees consist of the On-Book Investment Committee and Off-Book Investment Committee.

# Board of Directors' Responsibilities

The Board is the primary decision-making body of the Company charged statutorily with setting and directing the strategic course of the Company and advising, supervising and monitoring the work of the Management team against approved objectives and their effectiveness. The day-to-day management functions of the Company are delegated to the Management team, including implementing the key strategic objectives of the business. The Board also delegates some of its decision-making authority to its various committees, which are required to operate

within prescribed terms of reference and parameters, to facilitate focus on technical or specialized matters. The Board remains ultimately responsible to stakeholders for the performance of the Company and for ensuring the Company operates within the parameters of applicable laws and regulations and in accordance with sound business practices.

The responsibilities of the Board include the following:

## RESPONSIBILITIES OF THE BOARD

### GOVERNANCE:

- Overseeing the Company's approach to corporate governance and approving the development of principles and guidelines consistent with regulatory requirements and international best practices; and
- Ensuring adherence to corporate governance policies and guidelines and codes of conduct as well as regulatory and statutory requirements.

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### STRATEGY:

- Assisting with the development of the Company's vision and mission;
  - Overseeing the implementation of the Company's strategic plan, the organizational structure, and succession planning for senior management; and
  - Reviewing and approving the Company's business plans and forecasts and reviewing actual performance against plans and forecast/budgets.
-

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**FINANCIAL  
PERFORMANCE:**

- Evaluating financial results and ensuring that reports in respect thereof are produced in keeping with international standards so as to give a fair and accurate report of the Company's performance; and
  - Agreeing on the objectives of the Managing Director/ Chief Executive Officer and reviewing their performance.
- 

**HUMAN  
RESOURCES:**

- Retaining the authority to appoint and remove the Managing Director/Chief Executive Officer as well as other senior executives; and
  - Ensuring the development of a succession plan for the Managing Director/ Chief Executive Officer and other senior executives.
- 

**RISK  
MANAGEMENT:**

- Approving the Company's risk framework and policies and ensuring alignment with the Company's business strategy and goals; and
  - Identifying the principal business risks and ensuring the implementation of appropriate systems to mitigate and manage the key risks and to enable compliance with such policies.
- 

**INTERNAL  
CONTROLS:**

- Assessing and reviewing the adequacy and integrity of internal systems and controls generally; and
  - Evaluating and reviewing the adequacy of the Company's compliance with applicable laws, rules and regulations.
- 

**COMMUNICATIONS:**

- Reviewing the Company's communications framework to ensure the dissemination of information and required disclosures in a timely and fulsome manner with stakeholders; and
  - Ensuring the development of infrastructure to facilitate timely and accurate disclosure of information required to be disclosed.
-



# Board and Management-Level Committees



## AUDIT COMMITTEE

The Audit Committee provides guidance and oversight on financial reporting and risk issues in accordance with its terms of reference. The Audit Committee is responsible for assisting the Board in overseeing the financial and operational reporting process, assessing the effectiveness of the internal controls and risk management systems as well as overseeing the external and internal audit processes. The Audit Committee also has responsibility for reviewing and recommending to the Board for approval policies and procedures which touch and concern its areas of responsibility, as well as ensuring compliance with legal and regulatory requirements. It serves as a conduit between our internal auditors and the Board regarding the strengthening and maintenance of internal processes via internal controls and operating compliance.

It also interacts directly with the External Auditor on matters involving the preparation of the audited financial statements. Activities of the Audit Committee include, but are not limited to the following:

- Reviewing Internal Audit Plan;
- Receiving Risk Reports and approve the revision of limits;

- Reviewing of quarterly unaudited financial statements and the audited financial statements with members of the Management team and recommending approval of their release to the JSE to the Board; and
- Reviewing AML/CFT Policies and Procedure

**Members of the Audit Committee include:**

- Carl Domville (Chairman)
- Robert Drummond
- Duncan Stewart
- Phillip Lee

**BOARD INVESTMENT COMMITTEE**

The Board Investment Committee has strategic oversight of the investment and funding activities of the Company as well as the management of the various risks inherent in these activities. Its responsibilities include:

- Overseeing the development and maintenance of the investment policy and to ensure alignment of the investment policy with the Group’s risk appetite, as well as the prevailing and expected business and economic climates;
- Ensuring the adequacy of the governance structure of the investment processes of the Company as well as the various systems and internal controls designed to ensure the investment portfolios are managed according to the investment policies as well as within various internal and regulatory limits and guidelines;
- Periodically reviewing the organization, strategy and effectiveness of the Company’s investment function; and
- Overseeing of the Company’s funding strategy and policies to include but not be limited to matters surrounding share issuance or repurchase, debt issuances, dividend policy setting and the initiation or amendment of terms of revolving credit facilities.

**Members of the Board Investment Committee:**

- Duncan Stewart (Chairman)
- Jason Chambers
- Paul Simpson

**CORPORATE GOVERNANCE & CONDUCT REVIEW COMMITTEE**

The following areas fall under the purview of the Corporate Governance & Conduct Review Committee pursuant to its terms of reference:

- Reviewing Board procedures to ensure compliance with international corporate governance best practices and business trends;

- Identifying and managing conflicts of interest which may arise from transactions conducted with related parties;
- Engaging independent consultants to undertake board evaluation; and
- Considering matters relating to the appointment, orientation, training, conduct, compensation and tenure of Directors of the Board.

#### **Members of the Corporate Governance & Conduct Review Committee:**

- Peter Goldson (Chairman)
- Carl Domville
- Phillip Lee

### **MANAGEMENT-LEVEL COMMITTEES**

In addition to the Board-Level Committees, the Barita Governance framework is supported by three standing committees which also act as escalation bodies along with other ad hoc management committees. These committees act as a complement to the Board-Level Committees and enable more comprehensive governance of risks.

#### **MANAGEMENT INVESTMENT COMMITTEE (“MIC”)**

The MIC standing membership comprises a mix of persons including the Group Chief Investment Officer who chairs the committee, the CEO Designate, Barita Financial Group, the Group Chief Risk Officer, Chief Executive Officer, Senior Vice President, Finance and Senior Vice President, Operations. The committees meet a minimum of once per month or as required by the Chair and is responsible for providing strategic direction and setting appropriate limits within the parameters determined by the Board in the management of investment related risks but with specific focus on the following matters:

- Capital structure and related matters;
- Funding Risk;
- Liquidity Risk;
- Interest Rate Risk;
- Credit Risk;
- Net Interest Margin on the Company’s Assets and Liabilities;
- Foreign Exchange Risk;
- Pricing of assets, liabilities and funding products; and
- The development and execution of investment strategies designed to maximise portfolio returns within stated risk limits.

## IT STEERING COMMITTEE (“IT STEERCO”)

The IT SteerCo membership comprises the Group Chief Operating Officer, who chairs the committee, the Group Chief Investment Officer, the Chief Executive Officer of Cornerstone Trust and Merchant Bank Limited (“**CTMB**”) and Barita, the Chief Technical Officer for CTMB, the Vice President of Information Technology for Barita, the Head, Project Management Office, and two external subject matter experts. The committee meets monthly or as required by the Chair and its role includes:

- Approving Group and subsidiaries’ IT strategy;
- Ensuring that there are adequate policies and procedures in place to provide for data security of customer and company information;
- Ensuring IT capabilities are sufficiently monitored and reviewed to ensure the infrastructure is capable of meeting the demands of the Group and subsidiaries;
- Overseeing the IT practices to ensure the Group’s and subsidiaries’ priorities are met;
- Contributing to and approving strategic and operational plans for IT resources which align with the Group’s mandate;
- Identifying and considering strategic IT initiatives required for the Group and subsidiaries to meet their strategic objectives;
- Reviewing and approving IT Investments which align with strategic and operational priorities;
- Reviewing the IT workforce capability and recommending strategies for development if required to ensure the Group and subsidiaries’ priorities can be delivered; and
- Reviewing progress and approving final deliverables for all projects.

## NON-FINANCIAL RISK COMMITTEE (“NFRC”)

The NFRC’s membership comprises a mix of persons including the heads of businesses and executives of Cornerstone. The committee’s role is as follows:

- Policy Management;
  - Creating, reviewing, and providing recommendations to the Board on policies addressing non-financial risk categories;
  - Approving/recommending risk assessment outputs as requested by the Chair;
- Promote and embed the enterprise-wide risk culture;
- ERM Framework Monitoring;
  - Making recommendations on changes to the ERM Framework;
  - Monitoring Key Risk Indicators and Risk Appetite;
- Ensuring sound identification, assessment, and management of existing and emerging risks (internal and external) to the enterprise; and
- Approving New Initiatives Products or Business Changes (“**NIPC**”) Risk Assessments and provide advice and counsel on NIPC proposals.

# 12

## AUDITOR'S REPORT



## SECTION 12: AUDITOR'S REPORT

Prospective investors are invited to view the latest audited financial statements, for the Auditor's Report on the website of the Jamaica Stock Exchange at [www.jamstockex.com](http://www.jamstockex.com) and at **Appendix 2** herein.

# 13

## PRESENTATION OF CURRENT & HISTORICAL FINANCIAL INFORMATION



## SECTION 13: PRESENTATION OF CURRENT & HISTORICAL FINANCIAL INFORMATION

The Company's latest audited financial statements for the year ended September 30, 2024 are annexed in **Appendix 2**. Additionally, prospective Investors may also view the audited financial statements for the year ended September 30, 2024 concerning the Company on the website of the Jamaica Stock Exchange at [www.jamstockex.com](http://www.jamstockex.com). This Prospectus is to be read in conjunction with the audited financial statements for the Company for the year ended September 30, 2024. The financial statements can also be viewed at Barita's registered office located at 15 St. Lucia Way, Kingston 5, St. Andrew, Jamaica from 9:00 a.m. to 4:00 p.m.

The following is a presentation of the key financial data (in JMD) for the Company for each financial year in the 6-year period September 30, 2019 to September 30, 2024.



## AUDITED KEY FINANCIAL DATA FOR THE 6-YEAR PERIOD SEPTEMBER 30, 2019 TO SEPTEMBER 30, 2024

Consolidated Income Statement (in J\$)	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
<b>Revenues</b>						
Net interest income	650,999	882,589	1,541,340	1,672,170	581,191	646,217
Fees & commission income	693,273	1,827,376	3,119,153	3,022,287	3,403,170	3,708,502
Dividend income	30,670	8,677	1,054	31,842	86,771	117,223
Foreign exchange trading & translation gains	353,503	978,451	1,846,551	791,514	604,319	593,917
Gain on sale of investments and trading profits	1,873,298	1,412,958	1,580,546	3,361,280	4,356,726	4,871,584
Other income	378,031	103,918	27,618	72,640	61,971	60,531
<b>NET OPERATING REVENUE</b>	<b>3,979,774</b>	<b>5,213,969</b>	<b>8,116,262</b>	<b>8,951,733</b>	<b>9,094,148</b>	<b>9,997,974</b>
<b>Expenses</b>						
Staff costs	553,550	846,090	1,254,306	1,710,201	1,735,769	1,660,759
Administration	896,738	1,151,116	1,790,780	2,091,226	2,873,530	2,682,352
Impairment of available-for-sale investment	75,162	110,794	6,447	3,985	325	640,954
<b>TOTAL EXPENSES</b>	<b>1,525,450</b>	<b>2,108,000</b>	<b>3,051,533</b>	<b>3,805,412</b>	<b>4,609,624</b>	<b>4,984,065</b>
Share of results of investment in associated company	-	-	57,144	96,167	95,028	24,078
Total operating expenses (exc. impairment)	1,450,288	1,997,206	3,045,086	3,801,427	4,609,299	4,343,111
<b>PROFIT BEFORE TAX</b>	<b>2,454,324</b>	<b>3,105,969</b>	<b>5,121,873</b>	<b>5,242,488</b>	<b>4,579,552</b>	<b>5,037,987</b>
Taxation	741,543	347,440	1,063,276	1,021,226	1,164,552	1,222,338
<b>NET PROFIT</b>	<b>1,712,781</b>	<b>2,758,529</b>	<b>4,058,597</b>	<b>4,221,262</b>	<b>3,415,000</b>	<b>3,815,649</b>

Consolidated Statement of Financial Position (in J\$)	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
<b>Assets</b>						
Cash and bank balances	787,920	5,277,608	3,816,326	1,027,765	1,969,835	1,418,377
Resale agreements	14,678,974	8,039,603	8,872,136	2,608,878	564,013	5,772,918
Investment securities	11,042,562	13,939,095	14,128,717	24,285,629	22,331,633	18,982,704
Pledged assets	10,928,445	35,425,728	50,293,982	61,603,598	83,717,008	89,568,260
Investment in associates	-	-	2,053,423	2,186,695	2,281,723	2,305,801
Receivables	748,517	2,986,408	1,081,304	3,101,644	2,866,597	7,321,501
Taxation recoverable	-	183,299	-	479,552	398,511	453,035
Loans receivables	751,846	1,717,229	5,911,713	10,606,593	11,127,097	13,345,684
Due from related companies	1,624,584	1,979,035	2,518,556	938,835	753,516	1,400,119
Property, plant and equipment	353,275	609,821	1,014,416	993,654	943,136	836,782
Intangible assets	33,531	18,399	19,478	14,777	21,501	402,093
Investments	55,000	55,000	55,000	55,000	55,000	55,000
Investment property	-	203,400	210,000	214,200	225,000	235,857
Deferred tax assets	-	-	-	1,351,993	687,797	-
Right of use assets	-	256,588	233,974	231,882	252,274	216,918
<b>TOTAL ASSETS</b>	<b>41,004,654</b>	<b>70,691,213</b>	<b>90,209,025</b>	<b>109,700,695</b>	<b>128,194,641</b>	<b>142,315,049</b>

Consolidated Statement of Financial Position (in J\$)	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
<b>Liabilities</b>						
Bank overdraft	71,819	8,720	8,635	11,587	45,109	14,108
Short term loans/Notes payable	-	611,947	1,022,055	11,204,694	5,940,517	2,516,170
Repurchase agreements	24,092,810	34,446,619	45,592,518	59,653,515	76,546,630	84,332,260
Other debt facilities	-	-	-	-	8,300,997	13,953,557
Lease liability	-	282,298	274,840	287,207	308,395	265,537
Payables	1,739,686	6,970,314	2,627,411	3,271,454	1,466,664	5,247,416
Dividend payable	-	-	3,288,292	3,026,563	-	-
Due to related parties	77,711	273,744	144,013	62,197	199,726	189,316
Taxation payable	730,500		943,708	-	-	-
Deferred tax liabilities	622,850	616,891	61,237	-	-	494,285
<b>TOTAL LIABILITIES</b>	<b>27,335,376</b>	<b>43,210,533</b>	<b>53,962,709</b>	<b>77,517,217</b>	<b>92,808,038</b>	<b>107,012,649</b>
<b>Shareholders' Equity</b>						
Share capital	10,699,381	24,146,554	33,135,904	32,389,351	32,814,050	32,830,110
Capital reserve	111,466	111,466	122,073	148,655	175,988	175,988
Fair value reserve	685,248	25,054	(256,512)	(4,068,759)	(4,535,805)	(3,956,320)
Capital redemption reserve	220,127	220,127	220,127	220,127	220,127	220,127
Retained earnings	1,953,056	2,977,479	2,937,924	3,307,820	6,689,943	6,002,155
Stock option reserve	-	-	86,800	186,284	22,300	30,340
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>13,669,278</b>	<b>27,480,680</b>	<b>36,246,316</b>	<b>32,183,478</b>	<b>35,386,603</b>	<b>35,302,400</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>41,004,654</b>	<b>70,691,213</b>	<b>90,209,025</b>	<b>109,700,695</b>	<b>128,194,641</b>	<b>142,315,049</b>

## UNAUDITED FINANCIAL STATEMENTS – DECEMBER 2024

<div>CONSOLIDATED</div> <b>Profit &amp; Loss Statement</b> For the Three Months Ended December 31, 2024	UNAUDITED 3 Months Ended December 31, 2024 \$'000	UNAUDITED 3 Months Ended December 31, 2023 \$'000
<b>Net Interest Income and Other Revenue</b>		
<b>Net Interest Income</b>	<b>169,178</b>	<b>147,135</b>
Fees and Commission Income	904,851	812,114
Foreign exchange trading and translation gains/(losses)	(185,396)	(7,433)
Gain/(Loss) on investment activities (Note 2)	503,905	323,015
Other Income	44,464	47,650
<b>Net operating revenue</b>	<b>1,437,003</b>	<b>1,322,481</b>
<b>Operating Expenses</b>		
Staff Costs	367,408	442,646
Administration	516,211	414,217
Impairment/Expected Credit Loss (ECL)	(122,015)	(161,253)
	<b>761,603</b>	<b>695,611</b>
<b>Operating Profit</b>	<b>675,399</b>	<b>626,870</b>
Share of Results of Associates	15,981	33,611
<b>Profit before Taxation</b>	<b>691,380</b>	<b>660,481</b>
Taxation	(140,166)	(181,158)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>	<b>551,214</b>	<b>479,323</b>
<b>Number of shares in Issue</b>	<b>1,199,979</b>	<b>1,199,836</b>
<b>Earnings per stock unit</b>	<b>0.46</b>	<b>0.40</b>

**CONSOLIDATED****Statement of Financial Position  
As At December 31, 2024****ASSETS**

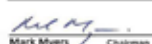
	<b>UNAUDITED</b> December 2024 \$'000	<b>UNAUDITED</b> December 2023 \$'000	<b>AUDITED</b> September 2024 \$'000
Cash and bank balances	1,084,155	783,972	1,418,377
Securities purchased under resale agreements	597,779	2,140,669	5,772,918
Marketable securities	25,924,696	19,245,447	18,982,704
Pledged assets	91,814,449	83,019,945	89,568,260
Investment in associate	2,321,782	2,315,334	2,305,801
Loans	5,973,552	12,612,056	13,345,684
Receivables	8,253,950	5,513,436	7,321,501
Taxation recoverable	221,343	277,166	453,035
Due from related parties	1,809,269	1,011,577	1,400,119
Property, plant and equipment	1,067,614	1,145,856	1,072,639
Intangible assets	475,069	19,572	402,093
Investments	55,000	55,000	55,000
Right of use asset	204,496	238,769	216,918
Deferred tax asset	-	348,343	-
<b>Total Assets</b>	<b>139,603,155</b>	<b>128,727,142</b>	<b>142,315,049</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY****Liabilities**

Bank overdraft	11,933	90,481	14,108
Securities sold under repurchase agreements	84,905,498	76,071,324	84,332,260
Other debt facilities	15,601,283	11,160,303	16,469,727
Lease liability	252,278	294,452	265,537
Payables	2,799,984	4,011,175	2,748,912
Dividend payable	-	-	2,498,504
Due to related parties	363,691	401,681	189,316
Deferred tax liabilities	216,483	-	494,285
<b>Total Liabilities</b>	<b>104,151,150</b>	<b>92,029,416</b>	<b>107,012,649</b>

**Shareholders' Equity**

Share capital	32,830,110	32,816,329	32,830,110
Capital reserve	175,988	175,988	175,988
Fair value reserve	(4,360,698)	(3,707,435)	(3,956,320)
Capital redemption reserve	220,127	220,127	220,127
Stock option reserve	33,109	24,206	30,340
Retained earnings	6,553,369	7,168,511	6,002,155
<b>Total shareholders' equity</b>	<b>35,452,005</b>	<b>36,697,726</b>	<b>35,302,400</b>
<b>Total liabilities and shareholders' equity</b>	<b>139,603,155</b>	<b>128,727,142</b>	<b>142,315,049</b>



Mark Myers  
Chairman



Carl Corns  
Director

## CONSOLIDATED

Statement of Changes In Equity  
For the Three Months Ended  
December 31, 2024

	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Capital Redemption Reserve \$'000	Stock Option Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 September 2023	32,814,050	175,988	(4,535,805)	220,127	22,300	6,689,943	35,386,603
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit for the period	-	-	-	-	-	479,323	479,323
Other comprehensive income	-	-	828,370	-	1,906	(755)	829,521
Total comprehensive income for the period	-	-	828,370	-	1,906	478,568	1,308,844
<b>TRANSACTIONS WITH OWNERS</b>							
Treasury Shares purchased	(879)	-	-	-	-	-	(879)
Treasury Shares sold	3,158	-	-	-	-	-	3,158
Balance at 31 December 2023	32,816,328	175,988	(3,707,435)	220,127	24,207	7,168,510	36,697,726
Balance at 30 September 2024	32,830,110	175,988	(3,956,320)	220,127	30,340	6,002,155	35,302,400
<b>TOTAL COMPREHENSIVE INCOME</b>							
Net profit for the period	-	-	-	-	-	551,214	551,214
Other comprehensive income	-	-	(404,378)	-	2,769	-	(401,609)
Total Comprehensive Income for the period	-	-	404,378	-	2,769	551,214	149,605
<b>TRANSACTIONS WITH OWNERS</b>							
Treasury Shares purchased	-	-	-	-	-	-	-
Treasury Shares sold	-	-	-	-	-	-	-
<b>OTHER RESERVES</b>							
Revaluation of properties	-	-	-	-	-	-	-
Balance at 31 December 2024	32,830,110	175,988	(4,360,698)	220,127	33,109	6,553,369	35,452,005

STATEMENT OF Comprehensive Income For the Three Months Ended December 31, 2024	UNAUDITED 3 Months Ended December 31, 2024	UNAUDITED 3 Months Ended December 31, 2023
	<u>\$,000</u>	<u>\$,000</u>
Net Profit for period	551,214	479,323
Unrealised gains/(losses) on FVOCI securities -	(404,379)	828,370
Other reserves	2,769	1,152
<b>Total comprehensive income</b>	<b>149,604</b>	<b>1,308,844</b>

**CONSOLIDATED****Statement of Cash Flows  
For the Three Months Ended December 31, 2024**

	<b>UNAUDITED</b> <b>3 Months Ended</b> <b>December 31, 2024</b>	<b>UNAUDITED</b> <b>3 Months Ended</b> <b>December 31, 2023</b>
<b>Cash Flows from Operating Activities</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net Profit for the Period</b>	551,214	479,323
<b>Adjusted for:</b>		
Depreciation and amortisation	24,833	30,495
Effect of exchange gain/loss on foreign balances	233,169	71,272
Impairment/expected credit losses (ECL)	(122,015)	(161,253)
Unrealised gain on investment FVTPL	(118,927)	(460,054)
Interest income	(1,855,360)	(1,879,485)
Interest expense	1,686,182	1,732,330
Income tax expense	140,166	181,158
Lease liability interest expense	5,116	5,748
Right-of-use assets amortisation	12,164	13,880
Share of profit from associates	(15,981)	(33,611)
Stock Option Expense	2,704	1,890
	<u>543,265</u>	<u>(18,287)</u>
<b>Changes in operating assets and liabilities:</b>		
Securities purchased under resale agreements	5,175,139	(1,576,656)
Securities sold under repurchase agreements	573,238	(1,956,329)
Receivables	(760,756)	(2,186,039)
Loans	7,432,132	(1,098,792)
Payables	(226,730)	2,530,569
Due from related companies	(34,775)	(56,106)
	<u>12,701,513</u>	<u>(4,361,640)</u>
Interest received	2,126,727	(105,626)
Interest paid	(1,554,693)	(10,441)
Lease payment	(12,194)	(13,539)
Income tax paid	-	(209,015)
<b>Cash provided by operating activities</b>	<b>13,261,353</b>	<b>(4,700,261)</b>
<b>Cash Flows from Investing Activities</b>		
Marketable securities	(10,148,284)	6,757,800
Proceeds from disposal of property, plant and equipment	(17)	-
Purchase of property, plant & equipment, and intangibles	(80,344)	7,218
<b>Cash used in investing activities</b>	<b>(10,228,645)</b>	<b>6,765,018</b>
<b>Cash Flows from Financing Activities</b>		
Ordinary dividends paid	(2,400,504)	-
Interest paid on preference shares	(98,000)	-
Payment on other debt facilities	(868,444)	(3,322,078)
Treasury shares sold	-	2,279
<b>Cash used in financing activities</b>	<b>(3,366,948)</b>	<b>(3,319,799)</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>2,192</b>	<b>23,807</b>
(Decrease)/increase in net cash and cash equivalents	(332,047)	(1,231,235)
Net cash and cash equivalents at beginning of year	1,404,269	1,924,726
<b>Net cash and cash equivalents at end of period</b>	<b>1,072,222</b>	<b>693,491</b>



## Notes to the Unaudited Financial Statements

December 31, 2024

### 1. Identification

Barita Investments Limited (Barita or the company) is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 15 St. Lucia Way, Kingston 5. The controlling party of the company is Cornerstone Financial Holdings Limited with a 75% ownership as at year end. The registered office of Cornerstone Financial Holdings is located at Suite I, Ground Floor, The Financial Services Centre, Bishop's Court Hill, Barbados.

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

### 2. Statement of compliance and basis of preparation

#### Interim financial reporting

The condensed consolidated interim financial statements (interim financial statements) for the quarter ended December 31, 2024, have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2024, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They are also prepared in accordance with requirements of the Jamaican Companies Act.

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

**Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2024).**

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The adoption of these amendments is not expected to have a significant impact on the group.

**Amendments to IAS 16 'Property, Plant and Equipment, (effective for accounting periods beginning on or after 1 January 2024).**

The amendment changes the accounting for proceeds from sale of items produced before a PPE is available for use. Previously, IAS 16 requires the proceeds from selling items before intended use to be offset against the cost of PPE. Under the amendments these proceeds are to be included the statement of profit or loss and should not be deducted from the cost of the PPE. The adoption of these amendments is not expected to have a significant impact on the group.

**Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2024).**

These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the group.

### 3. Gains/(Losses) on Investment Activities

	Unaudited 3 Months to December 31, 2024	Unaudited 3 Months to December 31, 2023
Gains on sales of investments	384,978	(137,039)
Fair Market Value Gains on Equity Portfolio	118,927	460,054
	<u>503,905</u>	<u>323,015</u>

### 4. Business Combination

The share of results of Associates reflected in these interim statements included estimates in the earnings of associate company for the period up to November 30, 2024.

## 5. Earnings per Share

The Group's earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of \$551,214,000 by the weighted average number of ordinary shares in issue during the period of 1,199,979,000 shares.

# 14

## MANAGEMENT DISCUSSION & ANALYSIS

## SECTION 14: MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis (“**MD&A**”) focuses on the financial years ended September 30, 2019 to September 30, 2024 and the quarter ended December 31, 2024.

### INTRODUCTION – GLOBAL AND LOCAL BACKDROP

Since the advent of the COVID-19 pandemic, the world has experienced an almost complete shutdown in trade, soaring levels of inflation, rising geopolitical risks in Europe, North America, and the Middle East, and consecutive interest rate hikes at a pace not seen in decades. Globally, central banks rapidly increased benchmark rates during 2022 and 2023, with developed economies beginning their rate hike cycle later than most emerging market economies. This policy action by monetary authorities around the globe came in response to rising inflation, which at first was deemed to be ‘transitory’, leading to the late response by many developed economies. The aggressive rate increase observed in most economies, along with other monetary policy tightening actions, had various effects on financial markets worldwide. Fast forward to 2024 and we had begun to see a change in this monetary policy posture. Currently, most advanced economies have released economic data that broadly suggest a full rebound in economic activity, with growth rates in many developed and emerging market economies now returning to their long-run averages. Consistent with this, the most recent core personal consumption expenditure (“**PCE**”) point-to-point inflation rate (January 2025) of 2.6%<sup>1</sup>, down from a high of 5.6% (February, March and September 2022) in the world’s largest economy, the United States of America, indicates that the inflation rate in the United States has materially decreased and has trended towards the Federal Reserve’s (“**the Fed**”) target of 2.0% over time. Notwithstanding, the most recent Headline Consumer Price Index (“**CPI**”) outturn for January 2025 increased slightly by 3.0%, relative to January 2024, which suggests that there are some lingering upward price pressures. While the Fed acts on core PCE inflation, the CPI result, which precedes the PCE result, does give some insight. Notwithstanding the slight uptick, the general trend of inflation in recent months has led to the Fed deciding to cut its policy rate, for the first time since 2020, by 50 basis points (“**bps**”) at its Federal Open Market Committee meeting in September 2024 and by a further 25 bps each in November 2024 and December 2024.<sup>2</sup>

Similarly, the same obtains on a worldwide basis with the International Monetary Fund (“**IMF**”) projecting global inflation to fall to 5.0%<sup>3</sup> by the end of 2024, down from 8.8% in 2022 and 6.1% in 2023.

Locally, the point-to-point inflation rate has significantly improved recently, with point-to-point inflation rate of 4.7% as at January 2025, compared to 7.4% as at January 2024<sup>4</sup>. This rate is within the BOJ’s target of 4.0% - 6.0%. Occasionally,

1 Source: [Personal Income and Outlays, January 2025 | U.S. Bureau of Economic Analysis \(BEA\)](#)

2 Source: [Fed cuts by a quarter point, indicates fewer reductions ahead](#)

3 Source: [World Economic Outlook Database](#)

4 Source: [Statistical Institute of Jamaica](#)

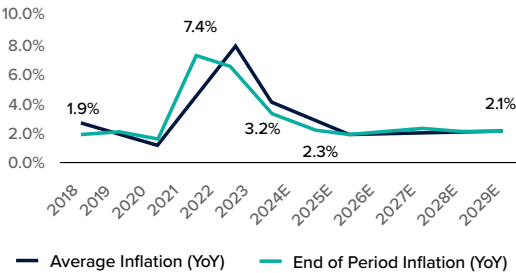
the rate has breached the upper limit of the BOJ’s target but this has largely been momentary spikes caused by specific idiosyncratic issues, such as the passing of hurricane Beryl. With that said, on balance, inflation has fallen markedly as noted earlier. As a result of this recent trend in Jamaica’s inflation rate and the BOJ’s inflation rate forecasts, the BOJ decided to cut its policy rate, for the first time since 2019, by 25 bps in August 2024, followed by additional cuts of 25 bps in September 2024, November 2024 and December 2024<sup>5</sup>, respectively.

## MARKET REVIEW

### United States – Economic Growth, Inflation and Unemployment

The US economy continues to experience positive real GDP growth despite contending with relatively high interest rates (though the trajectory has begun to shift downwards) not seen since the Global Financial Crisis, some sixteen (16) years ago. According to the Bureau of Economic Analysis, real GDP grew by 2.8% in calendar year 2024, compared to an increase of 2.9% in 2023.<sup>6</sup> This was largely supported by strong consumer spending, exports, investment and federal government spending. Strong consumer spending also continued to support job gains, as the US unemployment rate stands at 4.1%, according to the February 2025 report.<sup>7</sup> The Bureau of Labor Statistics (“BLS”) outlined that employment gains in the month were primarily concentrated in health care, financial activities, transportation and warehousing, and social assistance. With the US unemployment rate near historic lows and consumer demand remaining strong, point-to-point inflation continued to trend slightly above the Fed’s target range, with headline PCE inflation for January 2025 at 2.5%. On a month-over-month basis, PCE inflation rose 0.3% in January 2025 after rising by 0.3% in December 2024, reflecting continued price pressures in goods. On a year-over-year basis, core inflation (all items less food and energy) rose 2.6% in January 2025, largely reflecting continued price pressures in services.<sup>8</sup>

**UNITED STATES INFLATION RATE (YOY)**  
**SOURCE: IMF**



<sup>5</sup> Source: [Monetary Policy Decisions & Schedule](#)  
<sup>6</sup> Source: [Gross Domestic Product, 4th Quarter and Year 2024 \(Advance Estimate\)](#)  
<sup>7</sup> Source: [Employment Situation Summary](#)  
<sup>8</sup> Source: [Personal Income and Outlays, November 2024 | U.S. Bureau of Economic Analysis \(BEA\)](#)

JAMAICA – ECONOMIC GROWTH, INFLATION AND UNEMPLOYMENT GROWTH

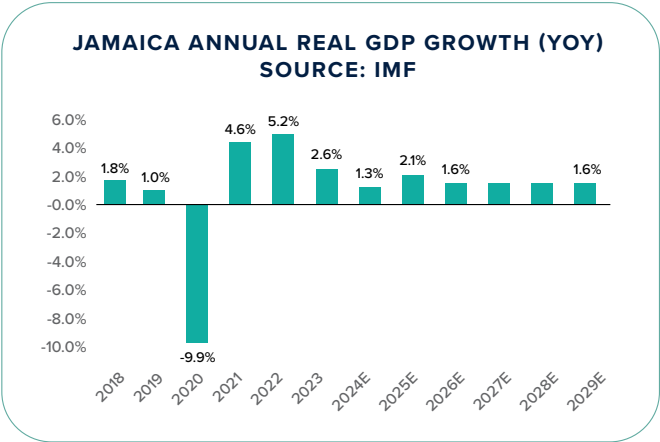
The Jamaican economy, like much of the global economy, has also recovered from the negative effects of the COVID-19 pandemic, experiencing record value-added growth in 2021 and 2022 as the economy rebounded from a significant fall-off in economic activity. While growth in 2023 largely began to moderate, gradually returning to its long-run trend, economic activity across some industries remains buoyant.

More recently, the Statistical Institute of Jamaica (“**STATIN**”) reported that the real value added for the Jamaican economy declined by 3.5% in the third quarter of 2024 relative to the third quarter of 2023. The real GDP decline was primarily driven by the decline in the Goods Producing Industries and Services Industries. Within the Goods Producing industries, the Agriculture, Forestry & Fishing industry’s real value added fell by 12.5% while the Mining and Quarrying industry’s real value added fell by 17.4% year over year. Within the Services industries, all the industries recorded a decline in real value added, except for the Finance & Insurance Services and the Transport, Storage and Communication industries.

Ultimately, these declines can be attributed to the passage of Hurricane Beryl in July 2024 which impacted the performance of the economy, particularly the Agriculture, Forestry and Fishing and the Mining & Quarrying industries.

Additionally, significant damage to the Jamaica Public Service Company Limited’s infrastructure caused delays in power restoration across several parishes, resulting in reduced electricity and water consumption. This, therefore, also negatively affected the performance of both the Electricity and Water Supply and Other Services industries.<sup>9</sup>

Over the ensuing years, between 2024 and 2029, the IMF projects that Jamaica’s real GDP growth rate will grow by 1.3% Year over Year (“**YoY**”) in 2024, 2.1% YoY in 2025 and 1.6% by 2029.<sup>10</sup> This suggests a period of stable growth that significantly outpaces the average growth rate during the pre-pandemic era of 0.7% from 2000 to 2019.



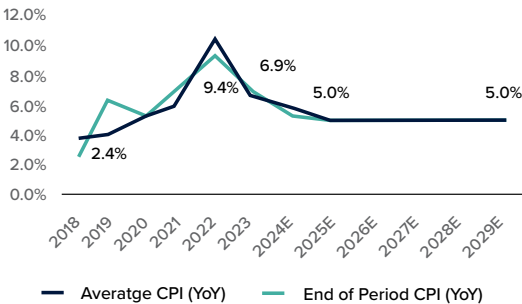
9 Source: [Statistical Institute of Jamaica](#)  
10 Source: [World Economic Outlook Database](#)



## INFLATION AND UNEMPLOYMENT

Inflation has now reverted to the BOJ's target range, falling in recent months to 4.4% on a point-to-point basis as at February 2025, considerably lower than its peak of 11.8% in April 2022.<sup>11</sup> This marks the fifth consecutive month that the inflation rate has remained within the BOJ's target inflation range of 4.0% to 6.0%. This has supported the BOJ's decision to cut its policy rate. Jamaica's unemployment rate also continues to decline, falling to a record low of 3.5% in October 2024, as reported by STATIN. This is a stark contrast to the pandemic peak of 12.6% reported in July 2020, and is significantly better than the pre-pandemic low of 7.2% reported in October 2019, underscoring Jamaica's strong economic recovery.<sup>11</sup>

**JAMAICA INFLATION RATE**  
**SOURCE: IMF**



## GLOBAL CREDIT POSITIONING

Jamaica's improving economic performance has caught the attention of the most prominent international credit rating agencies, with Fitch Ratings upgrading Jamaica's Long-Term Foreign Currency and Local Currency Issuer Default Ratings ("IDR") to 'BB-' from 'B+' in March 2024. Fitch's rationale for this rating uplift included Jamaica's declining debt trajectory, prudent fiscal management, strengthening monetary policy framework, and sound banking sector, among others. The outlook remains positive, reflecting Fitch's expectation of continued improvement in the country's debt metrics and further deepening of the policy framework over the next few years.<sup>12</sup> Similarly, in October 2023, Moody's Investors Service upgraded the Government of Jamaica's long-term issuer and senior unsecured ratings from 'B2' to 'B1' and revised the outlook from Stable to Positive. On September 13, 2023, Standard and Poor's Global Ratings ("S&P") revised its outlook and credit rating on Jamaica's sovereign bonds, moving the Government of Jamaica's Long Term Foreign and Local Currency IDR from 'B-' to 'BB-' with a stable outlook. More recently, on September 24, 2024, S&P revised Jamaica's outlook from stable to positive. The general rating rationale from the international credit ratings agencies is the positive trajectory of the Jamaican economy, marked by continuous downward trend of the country's debt-to-GDP and the improvement in the country's fiscal position. S&P expects the country's debt-to-GDP to continue its downward trend, improving fiscal surpluses over the medium term.<sup>13</sup>

<sup>11</sup> Source: [Statistical Institute of Jamaica](#)

<sup>12</sup> Source: [Fitch Upgrades Jamaica to 'BB-'; Outlook Positive](#)

<sup>13</sup> Source: [Jamaica Long-Term Ratings Raised To 'BB-' From 'B+' On Improved Finances; Outlook Stable](#)



The Jamaican economy's positive trajectory provides a robust and conducive environment for Barita to thrive in its role as a securities dealer. With increasing investor confidence, and a stable macroeconomic framework, Barita is well-positioned to capitalize on emerging opportunities. This favorable climate enhances the Company's ability to offer innovative financial solutions, attract diverse clientele, and drive sustainable value creation for all stakeholders.

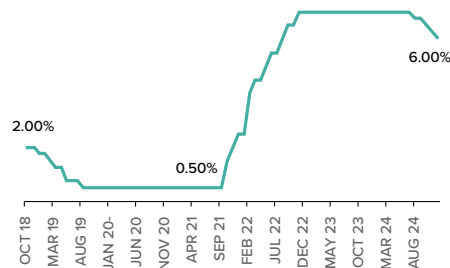
## FIXED INCOME MARKET

While changes in interest rates have a significant impact on markets at large, the fixed income market has arguably been the most directly impacted by the trend of interest rates throughout the local economy. Given the restrictive policy stance of the BOJ during 2022 and 2023, yields on fixed income securities repriced aggressively during those years, mirroring the path of the BOJ's policy rate which was increased from 0.5% in September 2021 to 7.0% in November 2022.

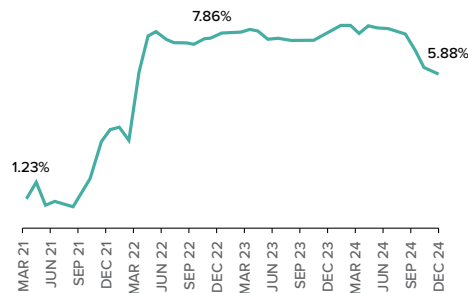
The effect on the market can be viewed from two perspectives: the investor's and the borrower's perspective. With investors largely pivoting to fixed income instruments to exploit higher rates of returns, while borrowers experienced a considerable increase in their funding costs.

Inflationary pressures have largely subsided since then and central banks across the globe have begun cutting their policy rates. While inflation continues to trend lower, the Federal Reserve, in September 2024, made the decision to cut its policy rate by 50 bps, the first time the Fed had cut rates since March 2020 and cut by a further 25 bps in November and December 2024, respectively. Locally, the BOJ has cut rates four times in 2024. The BOJ first decided to cut rates in August 2024 by 25 bps, then again in September 2024 by 25 bps. In November 2024, rates were cut once more by another 25 bps, followed by another 25 bps rate cut to 6.0% in December 2024. There has been an immediate impact with money market rates, primarily represented by Treasury Bill ("T-Bill") and Certificate of Deposit ("CD") yields falling significantly. The 90-day T-Bill average yield in February 2025 was

**BANK OF JAMAICA POLICY RATE (%)**



**90-DAY TREASURY BILL YIELD (%)**



5.9%, down from a yield of 7.9% in November 2022. Similarly, the 180-day T-Bill rate was 5.9% in February 2025, down from 8.3% in November 2022.<sup>14</sup> These changes in T-Bill yields are consistent with the movement of the BOJ's policy benchmark rate, which stood at 6.0% in December 2024, down from 7.0% in November 2022.

Corporate bond yields have been less responsive but there have been signs of lowering yields for those instruments as well and we foresee that this will continue. Within this context, fixed rate bonds have become more attractive.

## FOREIGN EXCHANGE MARKET

The local foreign exchange (“**FX**”) market remains well-funded, supported by strong remittance inflows, and a buoyant tourism sector which has collectively resulted in record levels of Net International Reserves (“**NIR**”) of US\$5.60 billion as at October 31, 2024, the highest in Jamaica’s history, but falling slightly to US\$5.47 billion as at February 28, 2025, consistent with the fact that the NIR balances fluctuate from month to month depending on the BOJ’s use of these reserves. The strong NIR acts as a buffer for external shocks, supports the stability of the local currency and of course, support Jamaica’s important requirements. Therefore, with Jamaica’s NIR hovering at all-time highs, there is greater stability throughout the economy.

Consistent with the backdrop outlined thus far, there has been greater stability in the long-term movement of the local currency. Specifically, based on weighted average sell rates published by the BOJ, between 2022 and 2024, the Jamaican dollar has depreciated by approximately 0.9% relative to the US dollar. This compares to a depreciation of 9.2% over the four (4) years prior to 2020, i.e., 2016 to 2019, indicating that while we continue to witness a depreciation in the local currency, post-pandemic, that depreciation has slowed.

On balance, the state of the Jamaican dollar relative to the US dollar presents a story of increased stability, backed by an economy that, as projected by the IMF, is expected to grow at a pace that exceeds pre-pandemic levels. This stability fosters business growth through capital formation which Barita is well positioned to contribute to via a myriad of financial services.

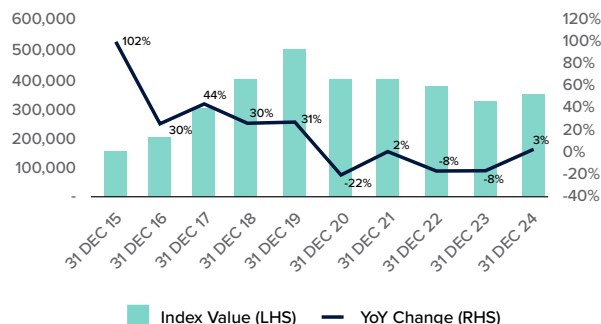
## LOCAL EQUITIES

The local equity market has not fared well since the advent of the Covid-19 pandemic, with the JSE Combined Index falling by 31.1% between the end of 2019 and the end of 2024. After peaking at its highest year-end value in 2019, the Combined Index fell sharply in 2020 as a result of deteriorating investor sentiment driven by the pandemic. While the index experienced a small rebound in 2021, spurred by multiple public offerings on the Junior Market, the market

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14 Source: [Bank of Jamaica](#)

### COMBINED INDEX YEARLY RETURNS



at a high point which, while positive for fixed income markets, simultaneously reduced the attractiveness of the local equities market.

The underperformance of the local equities market in general underscores the less-favorable operating environment in which most companies have operated while the rates, and therefore, the cost of borrowing trended up and remained at peak levels. This, in turn, led to reduced profitability for several companies, including financial services entities. Depressed asset prices have also affected most financial companies' dividend-paying ability, further deteriorating investor sentiment as financial institutions contend with higher unrealized losses in other comprehensive income. It is important to note that the financial services industry has generally accounted for the majority of the JSE's total market capitalization, relative to other industries and as such, an underperformance in that industry affects the entire combined index.

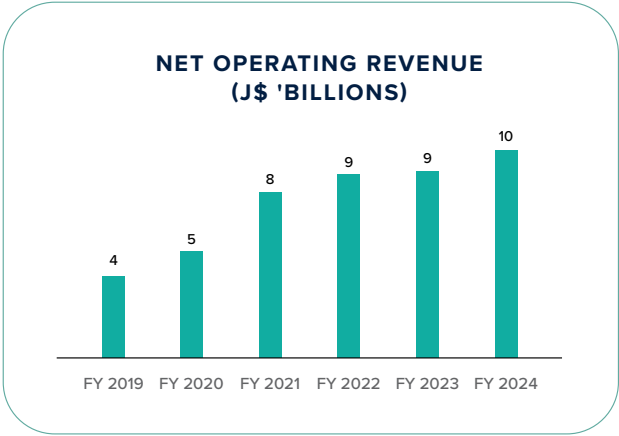
However, with inflation trending within the BOJ's inflation target range and the Central Bank having begun their transition to a more expansionary monetary policy stance by cutting its policy rate in consecutive months, equity price growth in the local market is expected to be supported.

has generally trended downwards thereafter, as evidenced by the negative YoY returns of 8.1% and 8.0% for 2022 and 2023, respectively. In 2024, the Combined Index posted a positive return of 2.6%<sup>15</sup>, rebounding slightly from the performance over the previous two years. Downward pressures on equity prices coincided with rising interest rates in the local market as the BOJ embarked on its most aggressive rate hiking cycle in decades, resulting in a cumulative increase of 650 bps in the benchmark policy rate from September 2021 to November 2022, a period of just 15 months. While the policy rate increases stopped at the end of 2022 and throughout 2023, the rate plateaued

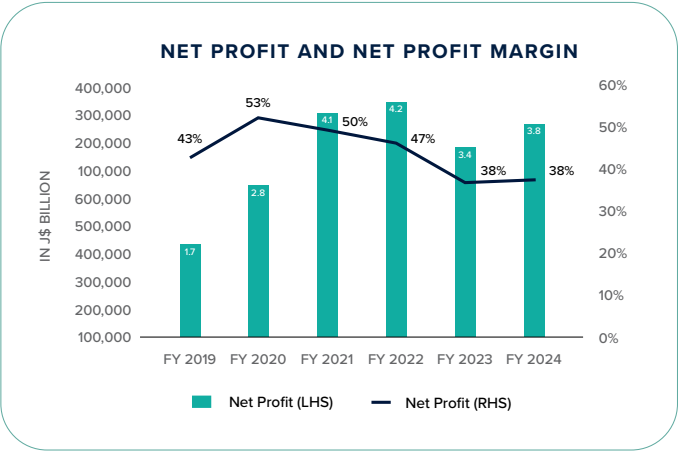
BARITA’S FINANCIAL PERFORMANCE  
SIX YEARS ENDED SEPTEMBER 30, 2024  
INCOME STATEMENT

Over the past six (6) financial years, Barita has improved its financial performance with both top and bottom lines growing over the period. Net operating revenue grew from J\$3.98 billion in FY 2019 to J\$10.00 billion in FY 2024, a compounded annual growth rate (“CAGR”) of 20.2%. This has largely been driven by the growth of the fee and commission line item which grew by a CAGR of 39.9% over the review period, which can be attributed to the growth of Barita’s investment banking and asset management units as well as its investment in alternative assets. The Company’s investment banking division was started in December 2018 and has grown in size and scale over the past six (6) financial years. Since its inception, the Investment Banking Unit has raised approximately J\$133.40 billion of both debt and equity capital for its clients, spanning multiple industries including, but not limited to, financial services, manufacturing, distribution, construction, and real estate. Furthermore, the Company’s assets under management have also increased over the review period. As at the end of FY 2019, the Company had approximately J\$181.77 billion of assets under management (including both on and off-balance sheet assets) and the Company grew these assets to J\$404.90 billion as at the end of FY 2024. The growth in these assets under management also supplemented the growth in fee income over the review period. In FY 2024, the largest contributor to revenue was gains on investments which accounted for 48.7% of revenue (up slightly from 47.1% in FY 2019). This line item is primarily comprised of unrealized fair value gains on various investments. These investments will be discussed in further detail in the balance sheet discussion below. The second largest contributor to revenue for FY 2024 was fees and commission income, accounting for 37.1% of revenue (up from 17.4% in FY 2019).

The Company’s operating expenses for the year totalled J\$4.98 billion, a CAGR of 26.7% over the review period. One of the largest contributors to this increase over the review period is the growth of administration costs, which grew by a CAGR of 24.5% over the period as Barita continues to fund its initiatives to spur growth and value creation. Staff costs also contributed to the growth of operating expenses, recording a CAGR of 24.6% over the period, driven by the Company’s continuous investment in its human capital. Impairment losses on financial assets increased over the review period, moving to J\$640.95 thousand in FY 2024. This increase in impairment losses on financial assets was due to a prudent adjustment of loss provisioning for securities with adverse indicators.

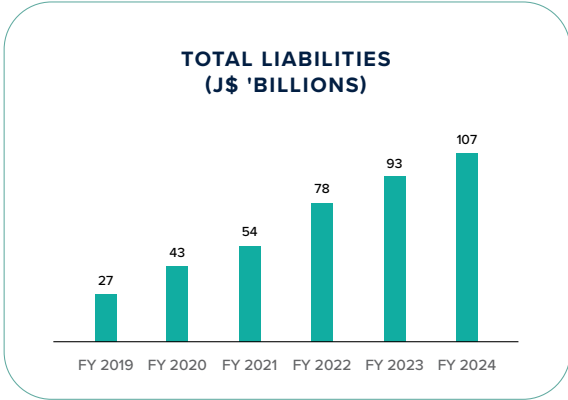
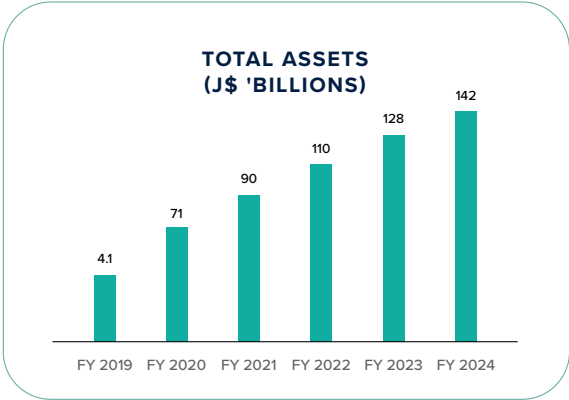


In FY 2021, Barita purchased a 20.0% stake in Derrimon Trading Company Limited (“Derrimon”), a publicly listed company. Given the percentage of shares owned, Barita records a share of Derrimon’s profit on its income statement. This share of profit decreased from J\$57.14 million in FY 2021 to J\$24.08 million in FY 2024. After accounting for taxes, Barita’s net profit improved from J\$1.71 billion in FY 2019 to J\$3.82 billion in FY 2024, a CAGR of 17.4%.



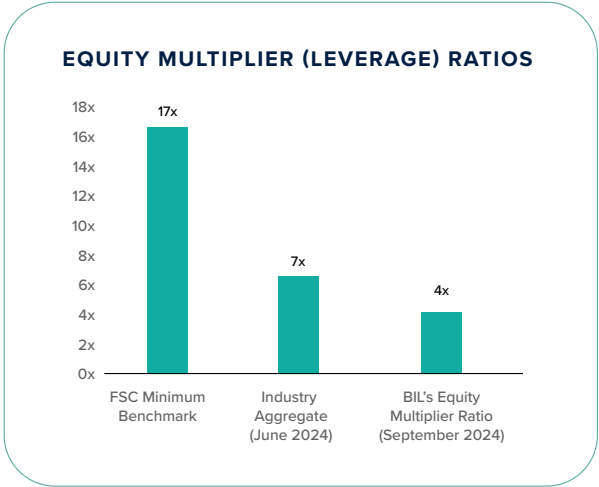
### BALANCE SHEET

As at September 30, 2024, Barita’s asset base stood at J\$142.32 billion, recording a CAGR of 28.3% over the review period. In large part, the change in the total asset position of the Company reflects a significant increase in investment securities (both those that have been pledged and those that are unencumbered) which grew to J\$108.55 billion as at FY 2024, representing a CAGR of 37.6% over the review period. The Company’s investment portfolio spans equity, debt and mezzanine securities. As at FY 2024, the Company had approximately J\$9.49 billion worth of quoted equities in its portfolio (approximately 8.7% of the portfolio as at FY 2024, up from 4.6% as at FY 2019). The vast majority of the investment portfolio is, however, allocated to debt securities, both government and corporate-issued debt securities. Government-issued debt securities were the largest portion of the investment portfolio as at FY 2024, accounting for 38.8% of the portfolio (down from 70.1% as at the end of FY 2019). Government-issued securities include both Government of Jamaica debt securities, as well as foreign government debt securities. The second largest contributor to the size of the investment portfolio as at FY 2024 was corporate bonds, which accounted for 31.4% of the total portfolio (up from 16.8% as at FY 2019). The remainder of the investment portfolio includes, amongst other things, investments in unit trusts and other funds, and preference shares. Over the review period, the investment portfolio has become much more diversified, particularly on the debt securities side. This provides a better balance of protecting the downside with the government-issued securities while participating in the ‘upside’ with higher-yielding corporate bonds. Additionally, Barita has grown its loan book substantially, growing from J\$751.85 million as at FY 2019 to J\$13.35 billion as at FY 2024, a CAGR of 77.8%. These largely represent loans to corporate clients as well as margin loans to the Company’s wealth and retail clients.



The asset base of the Company was fuelled by the growth of both its debt and equity capital. Firstly, on the debt side, the Company’s stock of repurchase agreements rose by a CAGR of 28.5% over the review period. Repurchase agreements are the Company’s primary source of debt capital/funding, accounting for 78.8% of total liabilities as at the end of FY 2024 (down from 88.1% as at the end of FY 2019). Other items that make up the Company’s debt funding base include short-term and long-term loans/notes which include bonds that were issued in FY 2023 via private placement. The Company’s debt funding, while primarily being short-term in nature at the moment, is being diversified into longer-term and more stable funding. This will assist with improving the cash flow management of the Company. Total shareholders’ equity as at the end of FY 2024 stood at J\$35.30 billion, representing a CAGR of 20.9% over the review period. This increase is largely driven by the multiple equity raises that the Company conducted over the review period, including two Rights Issues in 2019, an Additional Public Offering (“**APO**”) in 2020, and another APO in 2021. Additionally, the increase in the equity base was driven by growth in retained earnings over the review period as the Company remained profitable.

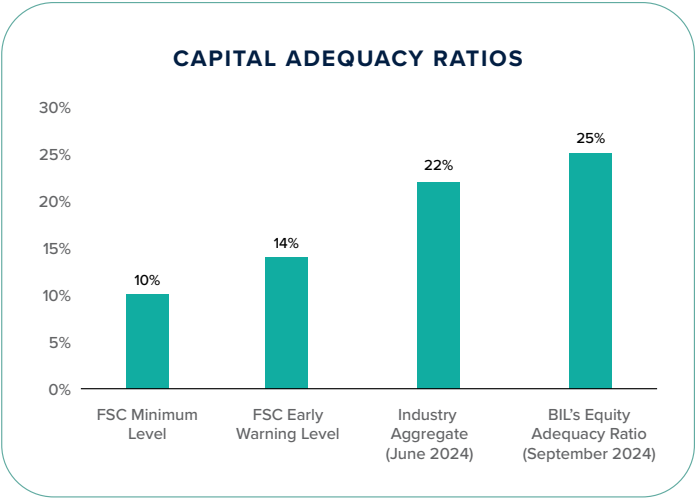
Barita’s leverage ratio is lower than that of most peers in the local securities dealer industry. Specifically, leverage, as measured by the equity multiplier ratio (total assets/ total shareholders’ equity), totalled 4.03x as at the end of September 2024. This compares favourably to the aggregate securities dealer’s industry leverage as at June 2024 which stood at 6.60x<sup>16</sup>. Additionally, as at the



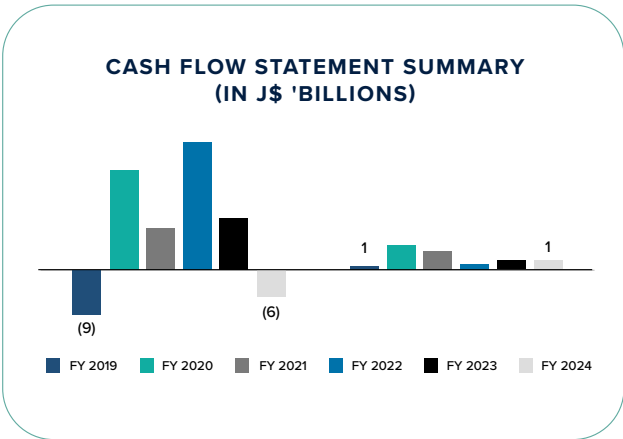
end of September 2024, the Company boasted a capital adequacy ratio of more than two and a half times the minimum requirement set by the Financial Services Commission of 10.0%. These factors provide further evidence of the relative strength of the Company's balance sheet.

Over the past six (6) years, since Cornerstone acquired a majority stake in Barita, the Company has consistently grown both its top and bottom lines, as well as its balance sheet. The numerous capital raises during this period have enabled Barita to rapidly expand its assets. Not only did these capital raises facilitate quick asset growth, but the funds were also effectively deployed to drive revenue and profit growth.

This demonstrates that Cornerstone, along with the senior management team of the Company, has been a responsible steward of capital, successfully transforming raised funds into real, tangible value.



## CASH FLOW STATEMENT



Barita recorded cash flow from operating activities ("CFO") totalling -J\$5.56 billion in FY 2024 from -J\$9.04 billion in FY 2019. The improvement in the CFO over the review period was driven primarily by the amount of securities purchased under resale agreements (cash outflow) increasing by a larger amount in FY 2019 than in FY 2024, as well as the large purchase of other investment securities in FY 2019 which was not repeated in FY 2024. This large cash outflow from CFO in FY 2019 was due to the Company's expansion of its asset base following its rights issue.

The Company's cash flow from investing activities ("CFI") totalled J\$1.45 billion in FY 2024 which is an improvement compared to the -J\$140.49 million recorded in FY 2019.

This improvement in the CFI over the review period is largely due to the cash inflow from the reduction in investment securities throughout FY 2024 which did not occur in FY 2019.

The Company recorded cash flow from financing activities (“CFF”) totalling J\$3.58 billion in FY 2024 which was down from the J\$9.56 billion cash inflow recorded in FY 2019. The reduction in CFF in FY 2024 was largely due to the large cash inflow from the issuance of shares by virtue of the rights issues conducted in FY 2019. There were no similar share issuances in FY 2024.

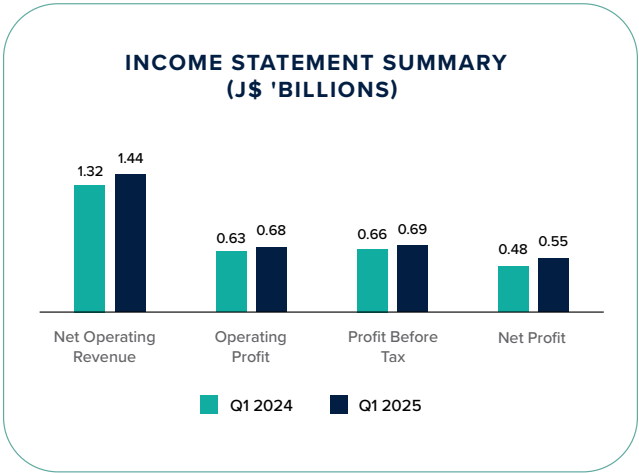
Barita ended FY 2024 with a cash balance of J\$1.40 billion, up from the J\$716.10 million cash balance at the end of FY 2019.

**QUARTER ENDED DECEMBER 31, 2024 (UNAUDITED)**  
**UNAUDITED INCOME STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2024**

For the quarter ended December 31, 2024 (Q1 2025), Barita Investments Limited generated J\$1.44 billion in net operating revenue, reflecting an 8.7% YoY increase compared to December 31, 2023 (Q1 2024). This growth was primarily driven by higher net interest income, fees and commission income, and gains on investment activities.

- Net interest income rose by J\$22.04 million (15.0%), benefiting from declining market rates, which reduced interest expenses on borrowed funds while interest income remained stable due to Barita’s predominantly fixed-rate asset base.
- Fee and commission income grew by J\$92.74 million (11.4%), driven by higher earnings from the investment banking and asset management segments.
- Gains on investment activities surged by J\$180.89 million (56.0%), primarily due to securities trading gains, which rebounded from a J\$137 million loss in Q1 2024 to a J\$385 million gain in Q1 2025.

Operating profit for the quarter increased to J\$675.40 million, up 7.7% YoY from J\$626.87 million, reflecting higher revenues and lower staff costs following a strategic restructuring exercise in the 2024 financial year. As a result, staff





costs declined by 17.0% YoY.

After factoring in the share of results from associate companies and taxation, net profit for Q1 2025 stood at J\$551.21 million, marking a J\$71.89 million (15.0%) YoY increase.

UNAUDITED BALANCE SHEET AS AT DECEMBER 31, 2024

As of Q1 2025, total assets grew to J\$139.60 billion, reflecting an 8.4% YoY increase from J\$128.73 billion in Q1 2024. This growth was primarily driven by increases in pledged assets and marketable securities:

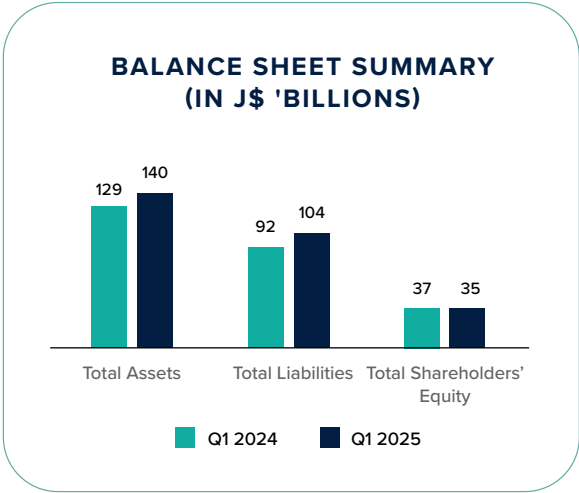
- Pledged assets rose by J\$8.79 billion (10.6%).
- Marketable securities grew by J\$6.68 billion (34.7%).

Total liabilities increased to J\$104.15 billion, up 13.2% YoY from J\$92.03 billion in the prior year. This increase was largely attributed to higher debt financing and repurchase agreements:

- Other debt facilities, which include bonds, notes, margin loans, and structured loans, increased significantly by J\$4.44 billion (39.8%).
- Repurchase agreements rose by J\$8.83 billion (11.6%).

Total shareholders' equity declined slightly by J\$1.25 billion (3.4%), reaching J\$35.45 billion. This decline was driven by:

- A reduction in the fair value reserve, which decreased from J\$-3.71 billion in Q1 2024 to J\$-4.36 billion in Q1 2025.
- A decline in retained earnings, which fell from J\$7.17 billion to J\$6.55 billion, reflecting dividends declared during the 2024 financial year.



# UNAUDITED CASH FLOW STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2024

In Q1 2025, Barita recorded CFO of J\$13.26 billion, a significant improvement compared to a CFO outflow of J\$-4.70 billion in Q1 2024. This increase in CFO was primarily driven by:

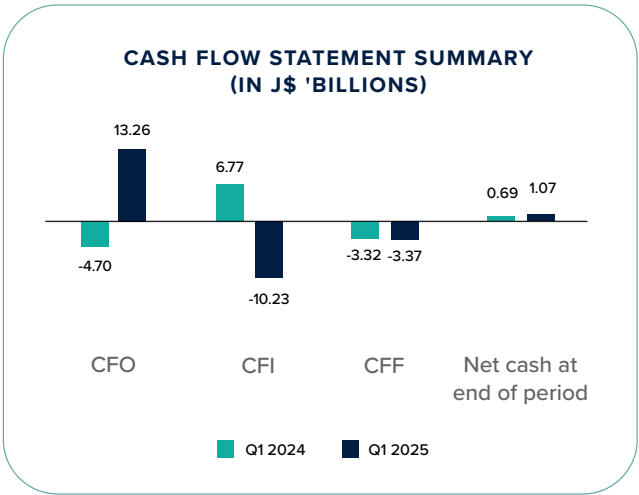
- Securities purchased under resale agreements, contributing J\$5.18 billion to CFO; and
- Loans, which added J\$7.43 billion to CFO during the quarter.

CFI for Q1 2025 recorded a net outflow of J\$-10.23 billion, compared to an inflow of J\$6.77 billion in Q1 2024. The primary driver of this outflow was the purchase of marketable securities, totalling J\$10.15 billion, compared to J\$6.76 billion in inflows from the sale of marketable securities in Q1 2024.

CFF totalled J\$-3.37 billion in Q1 2025, a slight decline from J\$-3.32 billion in Q1 2024. The CFF outflow in Q1 2025 was primarily due to:

- Dividend payments, amounting to J\$2.40 billion; and
- Repayments on other debt facilities, totalling J\$0.87 billion.

As at Q1 2025, the Company had a cash balance of J\$1.07 billion, up from J\$0.69 billion in Q1 2024.



## BARITA INVESTMENTS LIMITED - OUTLOOK

Jamaica's economic landscape is marked by resilience having rebounded strongly from the pandemic. Inflation rates have fallen steadily, now comfortably within the BOJ's target range, while unemployment has plummeted to historic lows, reflecting a robust recovery and a strengthening labour market. Credit rating improvements from prominent agencies like Fitch, Moody's, and S&P highlight Jamaica's prudent fiscal management, improving debt metrics and robust monetary policy framework. In addition, interest rate cuts by the BOJ are expected to support business and consumer borrowing as loan rates eventually begin to decline. With near record-high Net International Reserves, Jamaica is better positioned to

buttress external shocks and with greater currency stability, Jamaica has established a foundation for economic resilience, fostering investor confidence and paving the way for increased business activity and financial market performance. Together, these developments paint a compelling picture of Jamaica's promising economic future. The IMF is forecasting Jamaica's real GDP to grow by 1.3% YoY in 2024, followed by another year of growth to the tune of 2.1% in 2025.<sup>18</sup> The reduction in interest rates and further expected growth of the economy is anticipated to lead to an increase in capital market transactions as companies raise capital to take advantage of opportunities. This should supplement the already robust Investment Banking deal pipeline. Moreover, as clients' income increase, as is expected within a stable macro environment, the asset management line of the business is also expected to record growth in its AUM as clients allocate a portion of their increased disposable income to investments.

As we expect the economy to remain stable over the upcoming years, the environment will be favourable for Barita to foster value creation for shareholders and stakeholders through various means:

- **Equities:** With interest rates trending downwards, Barita's equities portfolio may benefit greatly from a knock-on positive impact on stock valuations which redounds to the benefit of shareholders. Improved equity valuations also suggest greater trading among investors which positions Barita, as a securities dealer, to trade on behalf of clients. This not only supports client portfolio growth but also enhances shareholder returns through higher commission income. Importantly, if stock valuations do not rise despite lower interest rates, alternative strategies are in place to ensure the equities portfolio still benefits.
- **Fixed Income:** Declining interest rates also drive higher prices for fixed income instruments which will positively impact Barita's income statement. As is consistent with the securities dealer business model, the Company has greater exposure to fixed income assets than equities which means even greater return potential from rising fixed income prices. Separately, we expect the rates on the Company's fixed income liabilities to decline much faster than the rates on fixed income assets. This will therefore lead to an improvement in net interest income.
- **Structured Finance and Investment Banking:** The structured finance and investment banking segments will also benefit from a stable economic environment coupled with lower interest rates. Lower rates and greater economic stability incentivize both borrowing and raising of equity which presents greater opportunity for these business segments.

Overall, Barita is poised to capitalize on the upcoming phase of the interest rate cycle and raising additional capital at this inflection point only serves to enhance the earning potential described above, across business lines. Both the Board of Directors and the management team will maintain a sharp focus on enhancing the Company's financial performance, while prioritizing risk management to steer clear of undue risks. Our goal remains to grow the business while upholding our reputation as one of Jamaica's most financially stable and secure securities dealers.

# 15

## **RISK MANAGEMENT AND RISK EXPOSURE**

## SECTION 15: RISK MANAGEMENT AND RISK EXPOSURE

### RISK MANAGEMENT

The objective of Barita's risk management programme is to ensure that risk-taking activities are aligned with its strategy and consistent with its risk appetite. Through an active and effective Risk Management process, Barita's Board of Directors commits to ensuring:

- The right risks are taken;
- The right amount of risk is taken;
- There is an appropriate reward for the risks being taken; and
- Risks that are inherent to the strategy, as well as those that could threaten the strategy, are proactively identified and appropriately managed.

### RISK MANAGEMENT FRAMEWORK

Barita's ERM Framework is multi-dimensional and aims to provide a suite of policies, limits and tools to identify, assess and manage risks. It is underpinned by developing a risk culture through active involvement and training of the various risk owners across all the functional areas of the organization. The framework, including the governance structure through which it is executed, is continually reviewed and designed to ensure the confidence of Barita's clients, shareholders, employees and other stakeholders as the Company executes on its strategy and takes advantage of opportunities.

**GOVERNANCE:** The Board has ultimate responsibility for risk management within Barita and delegates this function to the Audit Committee and Board Investment Committee. The Board, through these committees, reviews and approves the associated policies, limits, and risk appetite levels, based on the advice and counsel of various Management committees.

The Management Investment Committee is responsible for the oversight of Barita's asset and liability management and trading activities and the associated risk exposures, including any contingent exposures from off-balance sheet activities, and provides advice and counsel on financial risk related policies and limits.

The Company has also established a Non-Financial Risk Committee, which is mandated to elevate the awareness of existing and emerging risks across the organization and highlight their effect on the ability to achieve strategic objectives and carry on daily operations. The committee, which comprises senior team members from the functional areas of the Company, provides advice and counsel on non-financial risk related policies and new product or initiative proposals.

**RISK APPETITE FRAMEWORK:** Barita's Risk Appetite Framework ("RAF") articulates the amount of risk it is willing to take to meet its strategic objectives. The RAF includes risk tolerances, targets, measures, and limits. This, along with

the broader suite of Key Risk Indicators, are key components in the cultivation of Barita's risk culture and ensure that Barita remains within appropriate risk boundaries and efficiently manages risk to find the optimal balance between risk and return. The risk appetite is continuously reviewed and updated as the Company's strategy and operations evolve.

**POLICIES AND PROCEDURES:** A critical dimension of the Risk Management Framework is the establishment of robust and appropriate policies and procedures. These include, but are not limited to, policies related to various financial risk exposures, internal control, compliance, IT, business continuity and product development. Having been given a real-world test through the COVID-19 pandemic, Barita has developed its business continuity policy and updated its business continuity plans. These have been tested and improvements made where necessary, ahead of operationalization in preparation for both potentially plausible and less probable threats and other business disruptions during the year.

**RISK MANAGEMENT TOOLS:** Having identified and prioritized existing and emerging risks, several risk tools have been built and deployed within the organization to manage these risks. These include an enterprise risk assessment exercise and our third-party risk assessment framework, which will be a necessary complement to our strategic priorities for the coming financial year.

Our tools are regularly reviewed and updated to ensure effectiveness and relevance to Barita's business and financial strategies.

**STRONG AND PERVASIVE RISK CULTURE:** Strengthening Barita's risk function also includes cultivating a strong risk culture where the risk framework is an enabler to strategy through the collective understanding, engagement, and accountability for the key risks relevant to Barita's strategic objectives and the corresponding risk appetite throughout the organization.

Barita's risk governance structure actively supports the development of a strong risk culture. Risks are managed within the framework of policies and limits that are approved by the Board of Directors. At least on a quarterly basis, the Board reviews key current and emerging risk exposures and performance against approved limits and the Board's Risk Appetite. Senior management committees, including the Management Investment Committee and Non-Financial Risk Committee, meet more frequently to review the state of the various risks; while the Risk and Compliance functions provide independent oversight of the significant risks of the Company on a continuous basis.

**THE CULTURE IS ALSO SUPPORTED BY THE THREE-LINES-OF-DEFENCE MODEL. WITHIN THIS MODEL:**

- The various business lines that actively take these risks, and the units that support them are the risk owners and act as the First Line of Defence by actively managing these risks. This is the primary conduit through which the risk culture is cultivated.
- Risk and other control functions act as the Second Line of Defence by objectively challenging the First Line; providing

independent oversight over risk taking activities; and developing and executing the frameworks to measure, monitor, report and control risk.

- Internal Audit acts as the Third Line of Defence by testing to provide independent assurance of the effectiveness of the First and Second lines of defence.

## RISK EXPOSURE

The Company's activities expose it to a variety of risks.

In addition to other information set forth in this Prospectus, prospective investors should, before subscribing for New Bonds, carefully consider the risks described below. These risks are not the only ones facing prospective investors. Additional risks not presently known to the Directors or that the Directors may presently consider to be immaterial may also impair the Company's operations.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus.

## PRIMARY RISK FACTORS

By its nature, the Company's activities are principally Equities Trading, Fixed Income Trading, Unit Trusts, Pension Fund Management, Asset Management, Investment Banking and FX Trading. The Company's activities therefore expose it to a variety of financial risks: Credit Risk, Liquidity Risk, Market Risk, as well as operational and other non-financial risks. The aim is therefore, to achieve an appropriate balance between risk and return and control potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

The Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. Included in this framework are the functions performed by the Management Investment Committee and Non-Financial Risk Committee of the Company. These Management Committees oversee the Company's compliance with the risk management policies and procedures approved by the Board; review the adequacy of the risk management framework in relation to the risks faced by the Company and provide advice and counsel on policies, limits, risk appetite levels, and

new product proposals.

In addition to this, the Board of Directors has established the Audit Committee, which is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities for:

- The implementation of the risk management framework in accordance with the ERM Policy and review and recommendation for approval of risk appetites and limit frameworks prior to submission to the Board;
- The integrity of the Company's Financial Statements;
- The Company's policies, programs and procedures to ensure compliance with the relevant legal and regulatory requirements, the Company's Code of Ethics and Conduct and other relevant standards and best practices;
- The Company's efforts to comply with legal obligations arising from material agreements and undertakings;
- The qualifications and independence of the Company's external auditors; and
- The performance of the Company's internal audit function and its external auditors.

## THE KEY RISKS TO WHICH THE COMPANY IS EXPOSED AND THE MANNER IN WHICH IT MANAGES THEM ARE AS FOLLOWS:

**Market Risk:** Market Risk is the risk of loss due to changes in market prices and rates (including interest rates, credit spreads, equity prices, and FX rates), the correlations among them, and their levels of volatility.

Market Risk is monitored through the Management and Board Investment Committees. Various exposures are monitored daily and controlled through Board approved limits; which control the individual and aggregate impact of the various Market Risk factors on earnings and capital. This is supported by extensive research and continuous monitoring of the price movement and fundamental factors affecting financial assets on the local and international markets.

**Liquidity Risk:** Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations arising from its financial liabilities or other cash requirements. Liquidity Risk may also result from an inability to sell a financial asset quickly at, or close to, its fair value. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its obligations when due under both normal and stressed conditions.



The Company's liquidity management process includes:

- Forecasting cash inflows and outflows by currency to anticipate emerging liquidity needs and conducting regular stress tests to assess the vulnerabilities inherent in its balance sheet structure and the adequacy of liquidity resources under stressed conditions;
- Maintaining a pool of highly liquid, unencumbered assets that can be readily sold, or pledged to secure borrowings under stressed conditions;
- Managing the structure of its funding relative to its liquidity position to ensure that it is sufficiently diversified by term and type of client;
- Maintaining, testing and updating its contingency funding plan, which outlines the necessary responses to varying levels and stages of stressed conditions; and
- Proactively identifying, building and securing alternative sources of funding to ensure the adequacy of its contingency options and position itself to take advantage of material opportunities.

**CREDIT RISK:** Credit Risk is the risk of default by, or material decline in credit worthiness of, an obligor. Credit Risk may be disaggregated into three (3) types of risks:

- **Default (Counterparty) Risk**

The possibility that the issuer/borrower will fail to meet its payment obligations or other contractual covenants. Technical default may occur due to the issuer's/borrower's violation of other agreed terms (e.g. failure to maintain a certain financial ratio at/above a pre-determined level).

- **Credit Spread Risk**

Measured by the amount of yield differential above the return on a benchmark, default-free security (e.g. T- Bills) demanded by investors to compensate for buying the riskier security. The risk is that the riskier security might offer a lower than required premium.

- **Downgrade Risk**

Risk that a bond will be reclassified as a riskier security by a credit rating agency (e.g. Standard & Poor's). A downgrade in the rating of a security usually leads to a fall in its market price.

To control Credit Risk exposure, the Company manages the minimum credit quality, asset class and concentration of all issuers/borrowers in its portfolio and continuously monitors the financial status of each obligor.

**OPERATIONAL RISK:** Operational Risk is the risk arising from execution of an enterprise's business functions and particularly the risk of loss resulting from internal processes, people and systems, or from external events such as:

- **Internal Fraud**  
Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery;
- **External Fraud**  
Theft of information, hacking damage, third-party theft and forgery;
- **Employment Practices and Workplace Safety**  
Discrimination, workers compensation, employee health and safety;
- **Clients, Products, & Business Practices**  
Market manipulation, antitrust activities, improper trades, product defects, fiduciary breaches, account churning;
- **Damage to Physical Assets:**  
Natural disasters, terrorism, vandalism;
- **Business Disruption & Systems Failures:**  
Utility disruptions, software failures, hardware failures;
- **Execution, Delivery, & Process Management:**  
Data entry errors, accounting errors, failed mandatory reporting, negligent loss of clients' assets.

The Company has established frameworks to capture, prioritize, manage, track and report on the most important operational and other non-financial risk exposures. This is complemented by the tracking of key risk indicators to identify emerging risks. These activities are reinforced through the Non-Financial Risk Committee where the status of these risks and their strategic implications are highlighted. Due to the nature of the Company the most material among these are Systems, Processes, People and Customer Risks.

**SYSTEMS AND CYBER RISK:** Systems Risk refers to the likelihood of vulnerabilities related to the IT environment including security, data governance and integrity, reliability and necessary supporting infrastructure to handle business requirements. These are inherent in the technology-driven nature of Barita's business.

Robust technology planning and development processes ensure that technological capabilities are adequate to support the strategic requirements of the organization. This is supported by the continuous and proactive evaluation and updating of the security environment to minimize exposure to cyber-attacks and other current and potential IT security exposures. Employees and customers are consistently sensitized to ensure they understand current and evolving IT security risks, and to reinforce the desired behaviours.

**PROCESSES:** The risk associated with processes refers to the exposure to control weaknesses in various processes and instances where policies and procedures may be less than effective in embedding and establishing the required governance, limits, controls and practices for the execution of tasks.

Barita mitigates this risk through its ERM Framework and policies and procedures that establish the governance, authority levels, and required controls for various processes and operations, and prescribes a framework for identifying and managing the various inherent risks. This is complemented by continuous review of the various processes to improve efficiency, strengthen controls, and manage residual risks.

**PEOPLE:** People Risk refers to the likelihood that Barita does not adequately attract, retain and develop employees with the requisite knowledge and aptitude to meet the strategic needs of the organization and fill key roles as they emerge or become vacant. People Risk also refers to the likelihood that the culture does not sufficiently instill the desired level of performance and conduct.

Barita is focused on building its talent pool to support its growth. There is a focus on ensuring the development of resources to fill key current roles, should they become vacant; as well as to fill roles that will emerge in the future. The people strategy is supported by building a culture of high performance and accountability; this is also embedded within its appraisal and compensation structure.

**CUSTOMER:** Customer Risk refers to possible reduction in customer engagement and loyalty, changes in customers' behavior and their perception of Barita; as well as risks that Barita sells products to customers that may not be suited to their circumstances.

Barita mitigates this risk through the various customer feedback mechanisms embedded in its marketing strategy and customer service delivery. Customer circumstances and risk appetites are established at initiation and through ongoing interaction, with investment recommendations with respect to risk and return profiles supported by the research team.

**DATA PROTECTION AND PRIVACY RISK:** Data Protection and Privacy Risk arise from failure to comply with all the laws and regulations governing the privacy of customer data which may lead to reputational damage and legal actions.

The Company seeks to safeguard customers' information while adhering to all the relevant regulations that govern Data Protection and Privacy.

**COMPLIANCE RISK:** Compliance Risk is the possibility of internal, regulatory, statutory or legal non-compliance and associated risks from engagement with third parties.

The Company seeks to comply with all relevant legal and statutory requirements and is supported by strong

institutional governance and management to ensure a culture of compliance and ethical conduct.

**STRATEGIC RISK:** Strategic Risk refers to the possibility that strategic choices may be adversely affected by changes in the business and competitive environment and could cause other material risk exposures. This includes the impact of changes resulting from strategic choices throughout the organization, new products and initiatives that do not meet desired objectives, and robustness of the supporting governance and performance management environment to ensure effectiveness.

Barita and its affiliates have a robust process for strategy formulation and execution. This includes processes surrounding the identification of opportunities in the context of the competitive environment, current and prospective market developments, and lifestyle trends. The strategy is approved by the Board and ownership and accountability for strategy implementation is supported by communication of the strategy to all employees and the alignment of strategy to individual objectives through key performance indicators. Major risks associated with the strategy are also continuously monitored through selected key risk indicators which are subject to review at least on a quarterly basis. Implementation is also closely monitored and managed at the Barita and Cornerstone Executive levels, with quarterly updates provided to the Board.

**REPUTATIONAL RISK:** Reputational Risk is the exposure to negative perception, whether true or not, of the Company/Group by regulators, service providers, customers, employees, brokers, shareholders, and other key stakeholders, which may impair the performance, risk profile and strategic objectives of the Company.

Barita manages its Reputational Risk through its Code of Conduct, governance practices, risk management programs, and policies and procedures. This Risk is a key consideration in the strategy formulation process and in its day to day operations.

**RANKING OF BONDS:** The New Bonds will constitute the unsecured obligations of the Company. Accordingly, the New Bonds will not be secured by specific assets of the Company. In the event that the Company is declared bankrupt, becomes insolvent, is liquidated or re-organised, secured debt will be entitled to be paid ahead of the New Bonds including from the proceeds of the collateral securing such debt before any payment from the proceeds may be made with respect to the New Bonds. Bondholders will participate rateably with all holders of unsecured indebtedness that are deemed to be of the same ranking as the New Bonds, and potentially with all of the Company's other general creditors. In an insolvency event, the Company may not have sufficient assets to pay amounts due on the New Bonds. As a result, Bondholders may receive less, rateably, than holders of secured indebtedness.

**EARLY REDEMPTION OR PREPAYMENT RISK:** The Company may by giving sixty (60) days' notice to the Trustee, choose whether to wholly or partially redeem the New Bonds. As a result (particularly in a declining interest rate environment), a Bondholder may not be able to reinvest the proceeds received from the redemption in a comparable security at an effective interest rate as high as the interest rate on the New Bonds. In an increasing

interest rate environment, the Company would be unlikely to redeem the New Bonds early.

**RISK OF FINANCIAL DISTRESS:** The Company's ability to make payments on (or to refinance) indebtedness including the New Bonds and to fund its business will depend upon its ability to generate cash from operations in the future. The Company's operational performance is subject to general economic conditions, financial, legislative and regulatory factors that are beyond its control. Consequently, there is a risk that the business may not generate sufficient cash flow from operations or financing to enable it to pay its indebtedness, including the New Bonds, or to fund its other cash needs. In such case the Company may need to sell assets, seek additional equity, reduce, restrict or delay the implementation of strategic business initiatives. There is also a chance that the Company may be declared bankrupt, become insolvent, liquidate or otherwise reorganise or restructure its indebtedness.

The Bonds include the Financial Covenant (referenced in **Section 3**) that restricts the Company's ability to incur further indebtedness while the Company is in breach of any covenants under the Trust Deed. The Financial Covenant should also act as an early warning sign that the business of the Company is deteriorating by giving the Bondholders an opportunity to take action early.

## OTHER RISK FACTORS

**REGULATORY UNCERTAINTIES:** Changes in the approach by the Company's regulators in relation to existing regulatory requirements or the introduction of new regulations, may affect the Company's operations and its profitability.

**TAXATION UNCERTAINTIES:** The tax structure which provides one of the advantages of investing in the Company (to Applicants who are resident in Jamaica or other CARICOM states that are parties to the CARICOM Double Taxation Treaty), may be subject to change in the future, a factor over which the Company has no control.

**BOND PRICE VOLATILITY:** The New Bonds may experience significant volatility in price, which may extend beyond the short term and which may be dependent on the Company's performance, investors' confidence and other factors over which the Company has no control.

**FOREIGN EXCHANGE RISK FACTOR:** Investors in the New Bonds shall assume and bear the full FX rate risk. An investor's investment, if made in USD, may be eroded, in JMD terms, if the JMD was to appreciate against the USD.

**LIQUIDITY OF THE BONDS:** Investors may not be able to sell their bonds, when desired, at prevailing market rates. Market conditions could be such that fewer investors have demand for the New Bonds or the demand at prevailing prices may be represented by small volumes. This may cause investors to have to sell at a discount to market values to get liquidity from their bonds.

**SALES OF LARGE VOLUMES OF BONDS:** The sale of large volumes of bonds by other investors can affect the market value of the remaining bonds. This can occur due to the need to accept lower bids to sell higher volumes, as well as the signal that the sale of large volumes, or the sale of bonds by large investors, can have on the market's perception of the Company.

**DELISTING OF THE BONDS:** The Directors of the Company may choose hereafter, subject to the Bondholders' approval, to delist the Company's bonds from the JSE; or the Company's bonds could be delisted for non-compliance with the exchange rules. If this happens investors will not have access to the general bond market to sell their bonds in the future. This will typically impact the value of their investment.

**MACRO-ECONOMIC POLICIES:** Changes in fiscal and monetary policies may create opportunities as well as challenges for the Company.

**NEW ACCOUNTING RULES OR STANDARDS:** The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require changes in the way the Company reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.

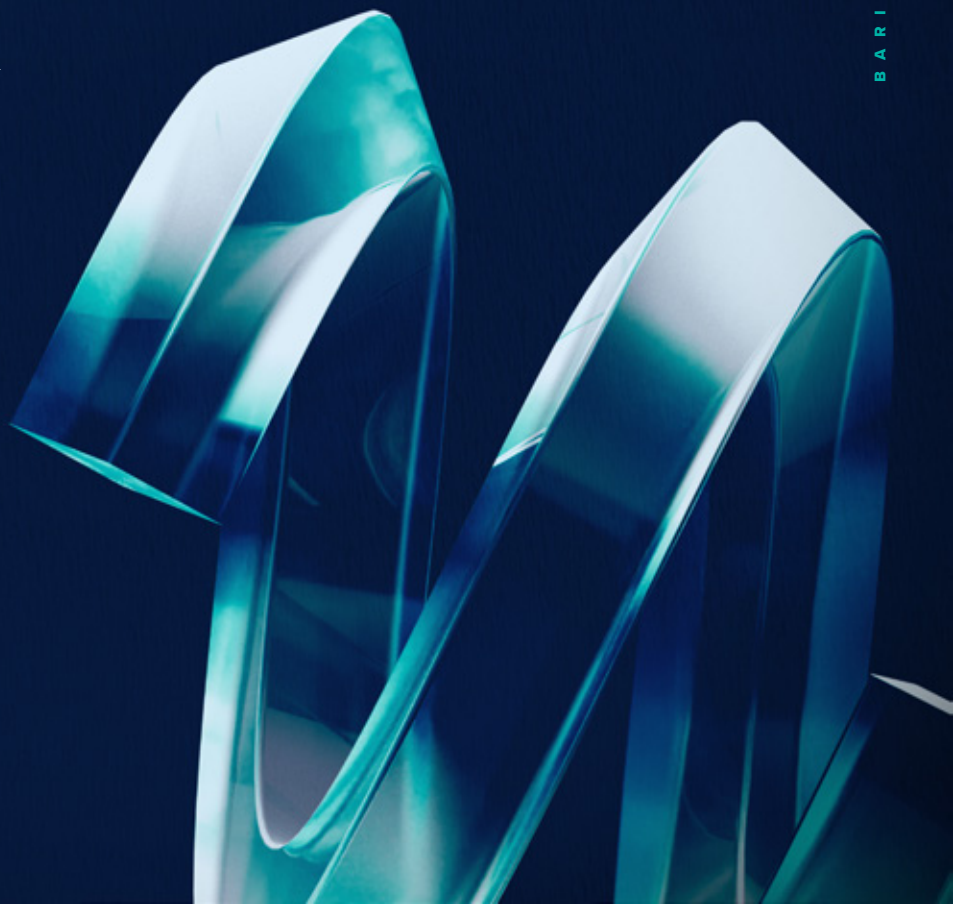
**RISKS ASSOCIATED WITH INTERNATIONAL CONDITIONS:** The Company's financial results may be adversely affected by international risks, such as:

- International political and economic conditions;
- Changes in government regulations in various countries;
- Trade barriers; and
- Adverse tax consequences.

The list of risks mentioned in this Section is not to be taken as being exhaustive of all the possible risks that may affect the Company and its business.

# 16

## RELATED PARTY TRANSACTIONS



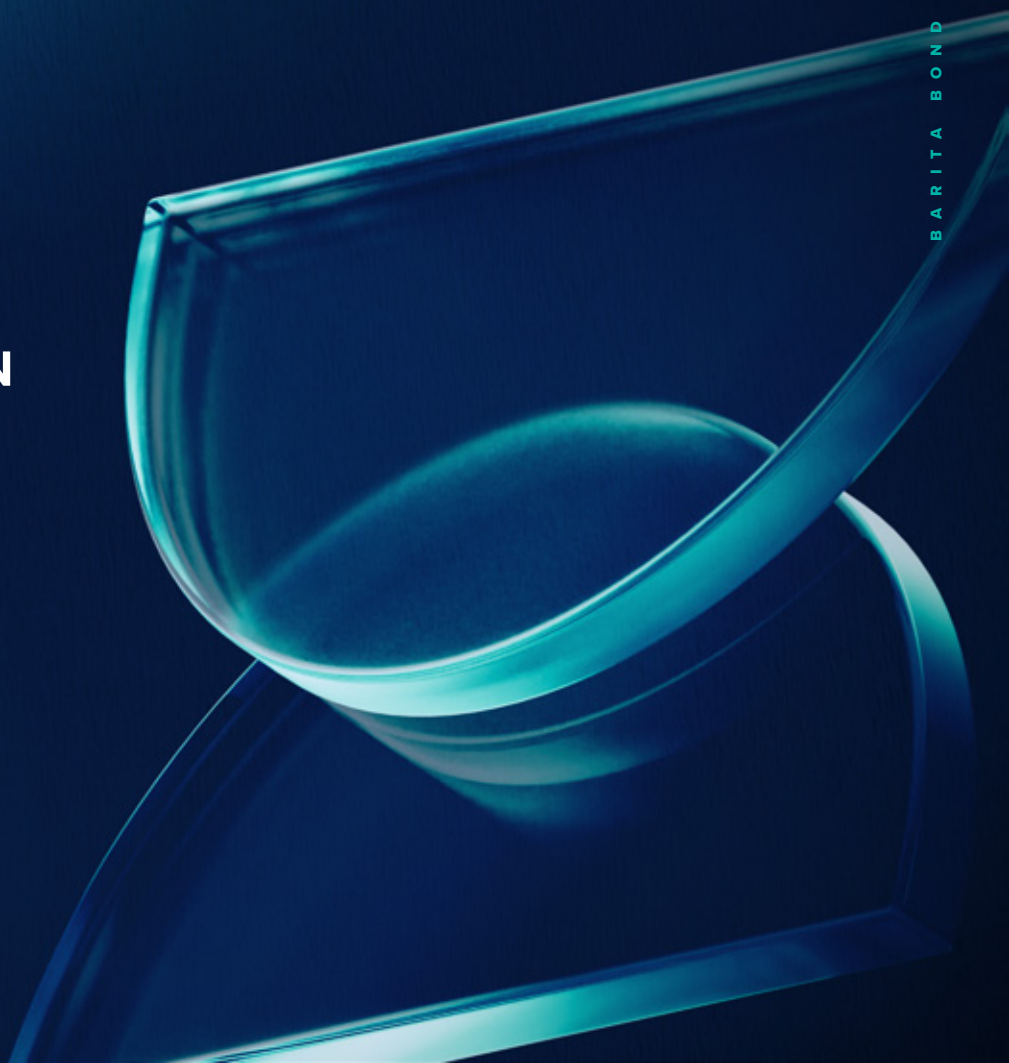
## SECTION 16: RELATED PARTY TRANSACTIONS

The Company's related party transactions are disclosed in the Notes to its Latest Audited Accounts annexed in **Appendix 2**.



# 17

## STATUTORY & GENERAL INFORMATION



## SECTION 17: STATUTORY & GENERAL INFORMATION

The Company is a company duly incorporated under the Companies Act and a securities dealer and trust services provider, licensed by the FSC. The Company is also the holder of a cambio licence issued by the BOJ and has been designated as a primary dealer by the BOJ. Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act and other general information are as follows:

1. The Company was incorporated on September 2, 1977 and its registered office is located at 15 St. Lucia Way, Kingston 5, St. Andrew.
2. The Company has no founders, management or deferred shares.
3. The Articles fix no shareholding qualification for directors and none have been otherwise fixed by the Company in general meeting. The Articles contain the following provision with respect to the remuneration of the Directors.

Article 71 - "The directors' fees for their services as Directors shall from time to time be fixed by the Directors, and shall be included in the Audited Accounts of the Company which is laid before the Annual General Meeting for approval by the shareholders. The directors may also be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company."

4. The Opening Date is March 28, 2025 and the Closing Date is May 26, 2025. The Company reserves the right to: (i) close the Application List at any time without notice if Applications have been received prior to the Closing Date for the full amount of the New Bonds available for subscription, provided that any such early closure of the Application List shall not occur prior to the end of a period of seven (7) days following the Opening Date. If the Company closes the Application List prior to the Closing Date, the Company will provide notice of such closure via a press release and by posting a notice on the website of the Jamaica Stock Exchange at [www.jamstockex.com](http://www.jamstockex.com) or (ii) extend such closing beyond the abovementioned date, with notice of such extension being given to Applicants via a press release to be issued by the Company as soon as reasonably practicable upon such extension being granted.
5. All Applicants will be required to pay in full, on Application, the Invitation Price per New Bond. No further sum will be payable on Allotment.
6. Up to Up to US\$17,000,000.00 and J\$3,500,000,000.00 (if the option to up-size is exercised) in New Bonds are being made available for subscription by prospective investors.
7. The names and descriptions of the Directors of the Company are indicated in the Latest Audited Accounts and in paragraph 23 below.

8. Shares are not being offered by the Company to the public for subscription. Accordingly, paragraph 2 and paragraph 3(2) of Part 1 of the Third Schedule to the Companies Act (the “minimum subscription”) do not apply.
9. No person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of the Company.
10. No previous invitations/offers with respect to shares in the Company have been made by the Company to the public other than, pursuant to:
  - (a) A Non-Renounceable Rights Issue for the allotment of 262,280,484 ordinary shares, each at J\$15.50, where the Circular Letter was registered on January 29, 2019 and executed during the first quarter of 2019. The ordinary shares were subsequently listed on the Jamaica Stock Exchange;
  - (b) A Renounceable Rights Issue for the allotment of 77,897,303 ordinary shares and upsized to 116,845,955, each at a price of J\$45.00 where the Circular Letter was registered on August 21, 2019 and executed during the third quarter of 2019. The ordinary shares were subsequently listed on the Jamaica Stock Exchange;
  - (c) An Additional Public Offer for the allotment of 260,599,830 ordinary shares, each at a price range of between J\$49.00 and J\$52.00, where the Prospectus was registered on July 31, 2020 and executed during the third quarter of 2020. The ordinary shares were subsequently listed on the Jamaica Stock Exchange; and
  - (d) An Additional Public Offer for the allotment of 134,785,150 ordinary shares at a price of J\$80.00 where the Prospectus was registered on August 26, 2021 and executed during the third quarter of 2021. The ordinary shares were subsequently listed on the Jamaica Stock Exchange.
11. Details as to investments, bank loans and any other indebtedness of the Company (if any) are indicated in the Latest Audited Accounts.
12. No property has been or is proposed to be purchased or acquired by the Company, which is to be paid for wholly or partly out of the proceeds of the Invitation, as prescribed by paragraphs 6-9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.
13. The proceeds from the Invitation will be paid to the Company. The Company expects to pay the expenses of the Invitation out of the proceeds of the Invitation, and the Company estimates that such expenses will not exceed J\$200,000,000.00 (inclusive of brokerage fees, legal fees, marketing expenses, Companies Registrars’ fees, initial fees and GCT).
14. The name and addresses of the auditors to the Company are as set out in the Latest Audited Accounts.

15. This Prospectus is issued more than two (2) years after the date on which the Company was entitled to commence and actually commenced business. Accordingly, paragraph 13 of Part 1 of the Third Schedule of the Companies Act does not apply.
16. As far as the Company is aware, the Company is not engaged in any material litigation, nor is it aware of any pending litigation.
17. The amount for goodwill, patent, or trademarks shown in the Latest Audited Accounts is nil.
18. No amount is currently recommended for distribution by way of dividend. The Company's dividend policy is described in **Section 8** of this Prospectus.
19. No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.
20. Save as set out in paragraph 14 above, within the two (2) preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
21. The following are the material contracts of the Company, other than contracts entered into in the ordinary course of business or entered into more than two (2) years before the date of this Prospectus:
  - Lease Agreement dated November 18, 2024 between Pan Jamaica Property Company Limited and the Company.
22. BDO has given and has not withdrawn their consent to the issue of this Prospectus with the inclusion of the Latest Audited Accounts, and their name in the form and context in which it is included (a copy of which Consent is attached as **Appendix 4**).
23. The names, description and addresses of the Directors, who have given and have not withdrawn their written consent to the issue of this Prospectus and the inclusion therein of all material facts relevant to the Company as required by the Companies Act are as follows:

DIRECTOR	OCCUPATION	ADDRESS
MARK MYERS (CHAIRMAN)	Business Executive	2D Valentine Drive, Kingston 19
PAUL SIMPSON (DEPUTY CHAIRMAN)	Business Executive	15 St. Lucia Way, Kingston 5
JAMES GODFREY	Businessman	Lot 1, Dunsinane, Mandeville, Manchester
DUNCAN STEWART	Business Executive	49 ½ South Camp Road, Kingston 4
PHILLIP LEE	Businessman	3 Norwood Avenue, Kingston 5
CARL DOMVILLE	Accountant	15 St. Lucia Way, Kingston 5
ROBERT DRUMMOND	Management Consultant	15 St. Lucia Way, Kingston 5
JASON CHAMBERS	Investment Banker	15 St. Lucia Way, Kingston 5
PETER GOLDSON	Attorney-at-Law	21 East Street, Kingston

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# 18

**SECURITY INTERESTS  
REGISTERED AGAINST  
ASSETS OF THE  
COMPANY**



## SECTION 18: SECURITY INTERESTS REGISTERED AGAINST ASSETS OF THE COMPANY

As at January 31, 2025 the following security interests remain registered against assets of the Company:

DATE REGISTERED	PLACE OF REGISTRATION	SECURED PARTY	COLLATERAL DESCRIPTION
<b>JUNE 20, 2023</b>	Jamaica	JCSD Trustee Services Limited	<b>Pulse Investments Limited Ordinary Shares</b>
<b>JUNE 20, 2023</b>	Jamaica	JCSD Trustee Services Limited	<b>Derrimon Trading Company Limited Ordinary Shares</b>
<b>JUNE 20, 2023</b>	Jamaica	JCSD Trustee Services Limited	<b>Future Energy Source Company Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Caribbean Cement Company Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Pulse Investments Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>PROVEN Investments Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Derrimon Trading Company Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>JMMB Group Limited Ordinary Shares</b>
<b>OCTOBER 31, 2023</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Future Energy Source Company Limited Ordinary Shares</b>
<b>DECEMBER 30, 2024</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Jamaica Stock Exchange Ordinary Shares</b>
<b>DECEMBER 30, 2024</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Seprod Limited Ordinary Shares</b>
<b>DECEMBER 30, 2024</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Sagicor Group Limited Ordinary Shares</b>
<b>DECEMBER 30, 2024</b>	Jamaica	National Commercial Bank Jamaica Limited	<b>Scotia Group Limited Ordinary Shares</b>



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# 19

**DOCUMENTS AVAILABLE  
FOR INSPECTION**





## SECTION 19: DOCUMENTS AVAILABLE FOR INSPECTION

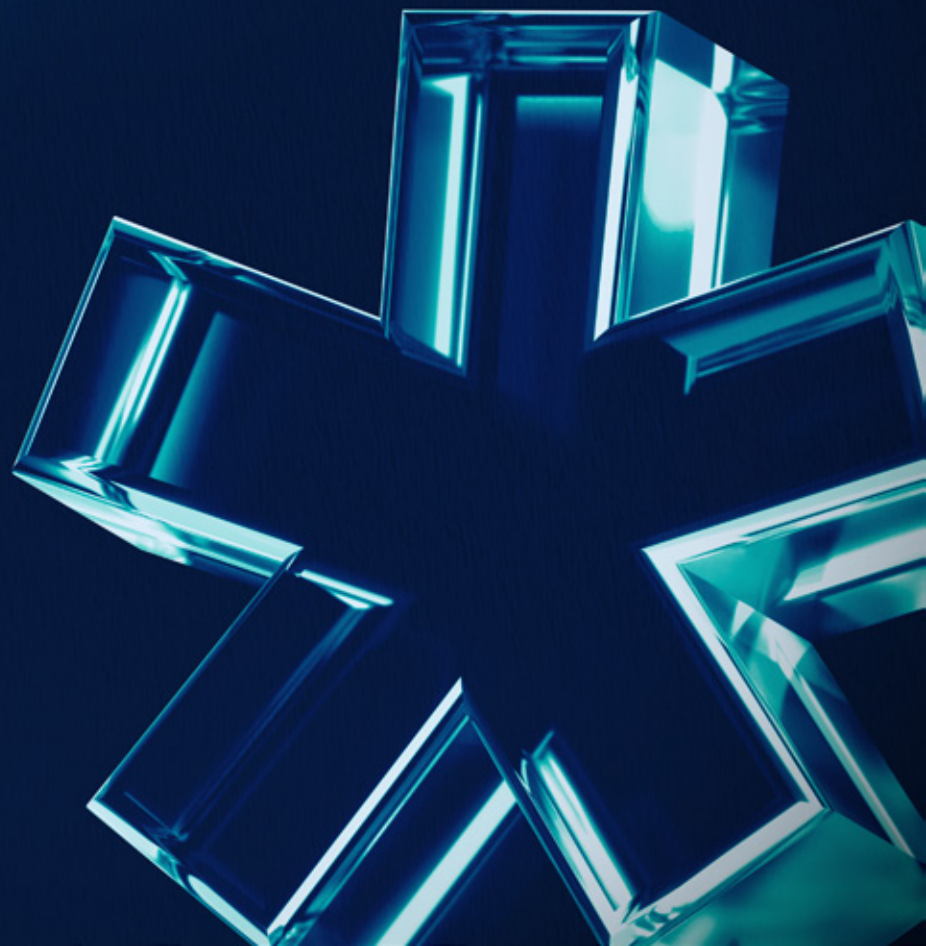
Copies of the following documents may be inspected at the head office of Barita Investments Limited at 15 St. Lucia Way, Kingston 5, St. Andrew, Jamaica between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

1. This Prospectus;
2. The Articles of Incorporation of the Company;
3. Copy of the Latest Audited Accounts for the Company for the year ended September 30, 2024;
4. Copy of the unaudited financial results for the Three Months ended December 31, 2024 with respect to the Company with accompanying Management, Discussion and Analysis;
5. Copies of the last five (5) annual reports for the years ended September 30, 2019 to September 30, 2023;
6. The Written Consent of the Auditors, BDO;
7. Written Consent of the Directors;
8. The Trust Deed and the form of Global Bonds;
9. Resolution of the Board of Directors authorizing the Invitation dated March 12, 2025;
10. Copy of the last registered prospectus issued by the Company being August 26, 2021; and
11. The material contracts referred to in **Section 17**.

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# 20

## CONDITIONS OF INVITATION



## SECTION 20: CONDITIONS OF INVITATION

1. Each Application for New Bonds must be for a minimum of US\$500.00 for Tranches I and II and J\$50,000.00 for Tranches III, IV, V, VI and VII of the New Bonds. Applications above this amount for Tranches I and II shall be in increments of US\$50.00 and for Tranches III, IV, V, VI and VII shall be in increments of J\$1,000.00.
2. Payment for the full amount of the Invitation Price for the New Bonds applied for must be remitted to the Lead Broker or Selling Agent, as the case may be.
3. An Approved Payment Method shall be any of the following:
  - (a) Manager's cheque payable to the Applicant's stockbroker for amounts less than J\$1.00 million;
  - (b) Cleared funds held in an equity/investment account in the Applicant's name at Barita supported by an authorization from the Applicant instructing Barita to transfer the payment to their Barita JCSD account;
  - (c) Transfer from the Applicant's account held with the Applicant's stockbroker;
  - (d) Transfer in the Real Time Gross Settlement ("RTGS") system to the Applicant's stockbroker; or
  - (e) Transfer via the Automated Clearing House ("ACH") to the Applicant's stockbroker.

A fee of J\$5,000.00 is imposed by commercial banks in Jamaica in respect of cheques (including manager's cheques) tendered for payment in an amount greater than or equal to J\$1,000,000.00.

4. The Company reserves the right to (i) close the Application List at any time without prior notice if Applications have been received prior to the Closing Date for the full amount of the respective New Bonds available for subscription or (ii) extend such closing beyond the above-mentioned date. In either case, the Company will provide notice as soon as reasonably practicable via a press release and/or by posting a notice on the website of the JSE at [www.jamstockex.com](http://www.jamstockex.com) and on the Company's website at [www.barita.com](http://www.barita.com). In addition, the Company may elect, in its sole discretion, to reduce the amount of New Bonds available for subscription, in which case the Company will issue a press release as soon as reasonably practicable upon such decision being made.
5. Please follow the instructions set out in **Appendix 1** which detail how to use the BOSS website to submit applications. Your Application will be deemed incomplete if the required supporting documents are not included.
6. The Board, in its sole discretion, may accept (in whole or in part) or reject, in whole or in part, any Application to subscribe for New Bonds, even if the Application is received, validated and processed. Accordingly, the amount of New Bonds allocated to you may be reduced.

7. Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of New Bonds by the Registrar on behalf of the Company to an Applicant, (whether such New Bonds represent all or part of those specified by the Applicant in their Application), will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted New Bonds at the Invitation Price, subject to the Articles of Incorporation and the terms and conditions set out in this Prospectus.
8. Early Applications will be accepted, but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date. New Bonds will be allocated after close of the Application List when all the valid Applications are received.
9. With respect to the New Bonds, if the Invitation is oversubscribed, the Company may take any or a combination of the following actions:
  - (a) Elect at any time prior to the closing of the Invitation or on the Closing Date, to upsize by making up to US\$6,000,000.00 and J\$1,250,000,000.00 additional New Bonds available for subscription by Applicants, bringing the maximum size of the Invitation to US\$17,000,000.00 and J\$3,500,000,000.00. In the event that the Company exercises its discretion under this paragraph, it shall make reference thereto in any announcement it issues, for the purposes of the closing of the Invitation and the publication of the basis of allotment following the Closing Date. This is not a guarantee that the Company will exercise the option to upsize.
  - (b) Allot the New Bonds on a pro rata basis; however, if the Invitation is oversubscribed, the Company reserves the right (subject to paragraph 16 below) to allot the New Bonds to Applicants on a basis to be determined by it, in its sole discretion, for operational efficacy/expedience. In this case, Applicants may be allotted fewer New Bonds than those for which they applied.
10. Multiple Applications by the same Applicant shall be treated as a single Application for the purpose of allocation/allotment. For this purpose, Applicants will be regarded as being the same where it is either the same individual or corporate Applicant or, in the case of joint Applicants, the joint holders identified for each Application are the same. Applications submitted with joint holders must be signed by all the joint holders if the respective JCSD account is an “AND” account. In cases where the JCSD account is an “AND/OR” account, only a single joint account holder is required to sign.
11. New Bonds will be allocated after close of the Application List when all the valid Applications are received. The Application List will close on May 26, 2025 at 4:00 p.m. but the Directors reserve the right to close the Application List earlier (provided that any such early closure of the Application List shall not occur prior to the end of a period of seven (7) days following the Opening Date) and may extend the Closing Date in certain circumstances, in either case upon giving prior notice.

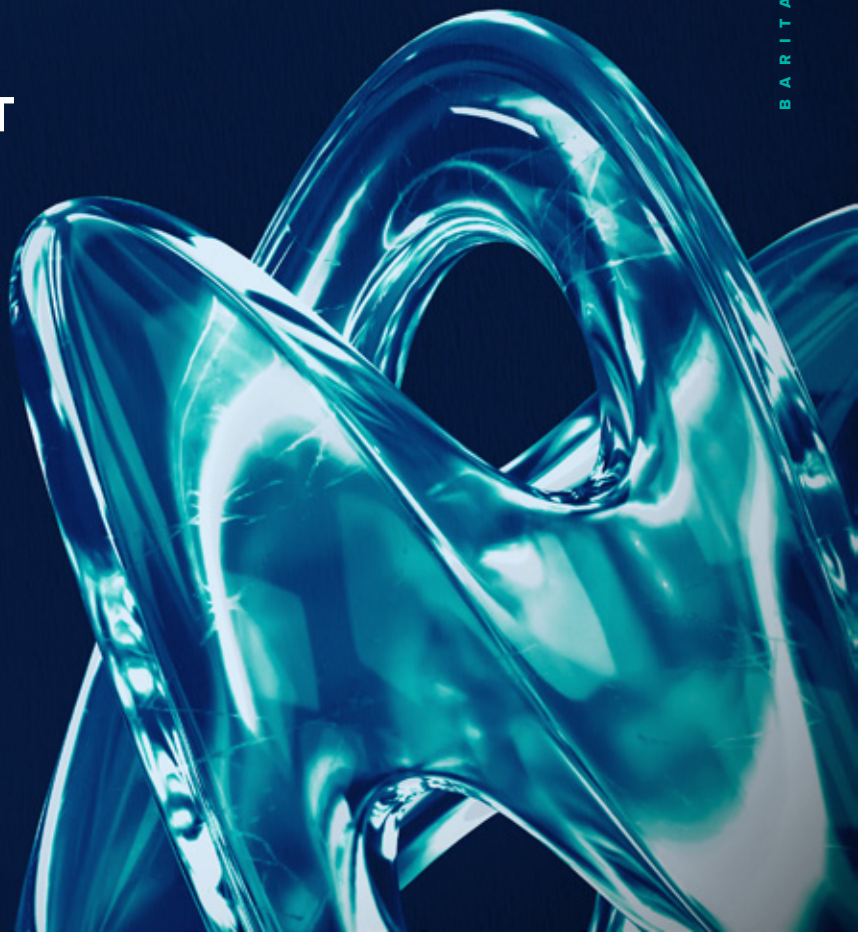
12. In the allocation process, New Bonds will be allotted as follows:
  - (a) Reserved Pool Applicants will have first rights to the New Bonds set aside in their respective Pools with any excess Applications for New Bonds above the Reserved Pool levels being transferred to the Non-Reserved Pool to compete for a second round of allocations;
  - (b) In the event that a Reserved Pool is undersubscribed, the unallocated New Bonds from that Reserved Pool will be transferred to the Non-Reserved Pool and Applicants to that Reserved Pool will be allotted the full amount of New Bonds subscribed for in their Applications;
  - (c) The aggregate of excess Applications, if any, from the Reserved Pools, and original Applications for New Bonds to the Non-Reserved Pool ("Total Non-Reserved Pool Applications") will be allocated from the Non-Reserved Pool;
  - (d) Where the Total Non-Reserved Pool Applications exceed the total number of New Bonds available for allocation in the Non-Reserved Pool, then allotment will be undertaken on a prorated basis. Such prorationing may be done to allow for some minimum level of allocation with respect to such Applications. For example, allocations from the Non-Reserved Pool with respect to such Applications may be up to the first 50,000 New Bonds, the subject of an Application and a certain minimum percentage of New Bonds pursuant to Applications in excess of 50,000 New Bonds.
13. If the Invitation is oversubscribed, a determination will be made as to which Pools will benefit from any upsizing of the Invitation and the amount to be allocated to each such Pool, which will be driven by the Application experience. Notwithstanding the intention of the Directors to allot New Bonds on the basis outlined herein, the Board of Directors reserves the right to allot the New Bonds to Applicants on a basis to be determined by it, in its sole discretion as seems justifiable having regard to the Application experience. It is however likely, that in the event of an oversubscription, New Bonds may be allocated on a pro rata basis, in which event Applicants may be allotted fewer New Bonds than were the subject of their Applications.
14. The Registrar will issue a depository receipt in the name of the Applicant (or in the joint names of joint Applicants) for the amount and tranche of New Bonds allotted to the Applicant with respect to each Application which is accepted in whole or in part. Each depository receipt will be mailed through the post at the Applicant's risk to the address of the Applicant (or of the primary Applicant) stated in the Application. The depository receipts will be dispatched in the mail within ten (10) days after the Closing Date. No paper bond will be issued.
15. Amounts to be refunded to Applicants whose Applications are not accepted in whole or in part will be refunded based on the instructions given in their Application. Refunds will be made via the Applicant's preferred refund option within ten (10) days after the Closing Date. Where Applicants request that refunds be made electronically, the

required details of the account to which refund payments are to be remitted by that method must be provided in the Application. The Company does not accept the risk of loss with respect to delays in effecting refunds, provided it has initiated the refund using the instructions provided by the Applicant.

16. Upon the issue of the New Bonds, it is the intention of the Company to have the issued New Bonds listed on the JSE. To this end, the Company intends to apply promptly after the close of the Invitation, for admission of the New Bonds to the Bond Market of the JSE, to enable them to be listed. This statement is not to be construed as a guarantee that the New Bonds will be listed.
17. This Invitation shall be governed by and construed in accordance with the laws of Jamaica.

# 21

## DIRECTORS' REPORT



## SECTION 21: DIRECTORS' REPORT

The Board hereby confirms that, after due inquiry by us, in our opinion and to the best of our knowledge and belief, in the period between September 30, 2024, and the date of this Prospectus:

- (a) The business of the Company has been satisfactorily maintained;
- (b) There have not been any circumstances arising which have adversely affected the trading or the value of the assets of the Company;
- (c) The current assets of the Company appear in the books at values that are realizable in the ordinary course of business;
- (d) There are no contingent liabilities that have arisen by reason of guarantees or indemnities given by the Company; and
- (e) There have been no significant changes impacting the financial position of the Company.



# 22

**SIGNATURES OF  
DIRECTORS OF  
THE COMPANY**



SECTION 22: SIGNATURES OF DIRECTORS OF THE COMPANY

The Directors of the Company whose signatures appear below are individually and collectively responsible for the contents of the Prospectus and each has signed same pursuant to a resolution of the Directors of the Company authorizing the issue of this Prospectus as at the date first hereinbefore stated.

DIRECTOR	SIGNATURE
MARK MYERS, CHAIRMAN	
PAUL SIMPSON, DEPUTY CHAIRMAN	
JAMES GODFREY	
DUNCAN STEWART	
PHILLIP LEE	
CARL DOMVILLE	
ROBERT DRUMMOND	
JASON CHAMBERS	
PETER GOLDSON	

## APPENDIX 1 APPLICATION GUIDE

### NEW USER SIGN UP

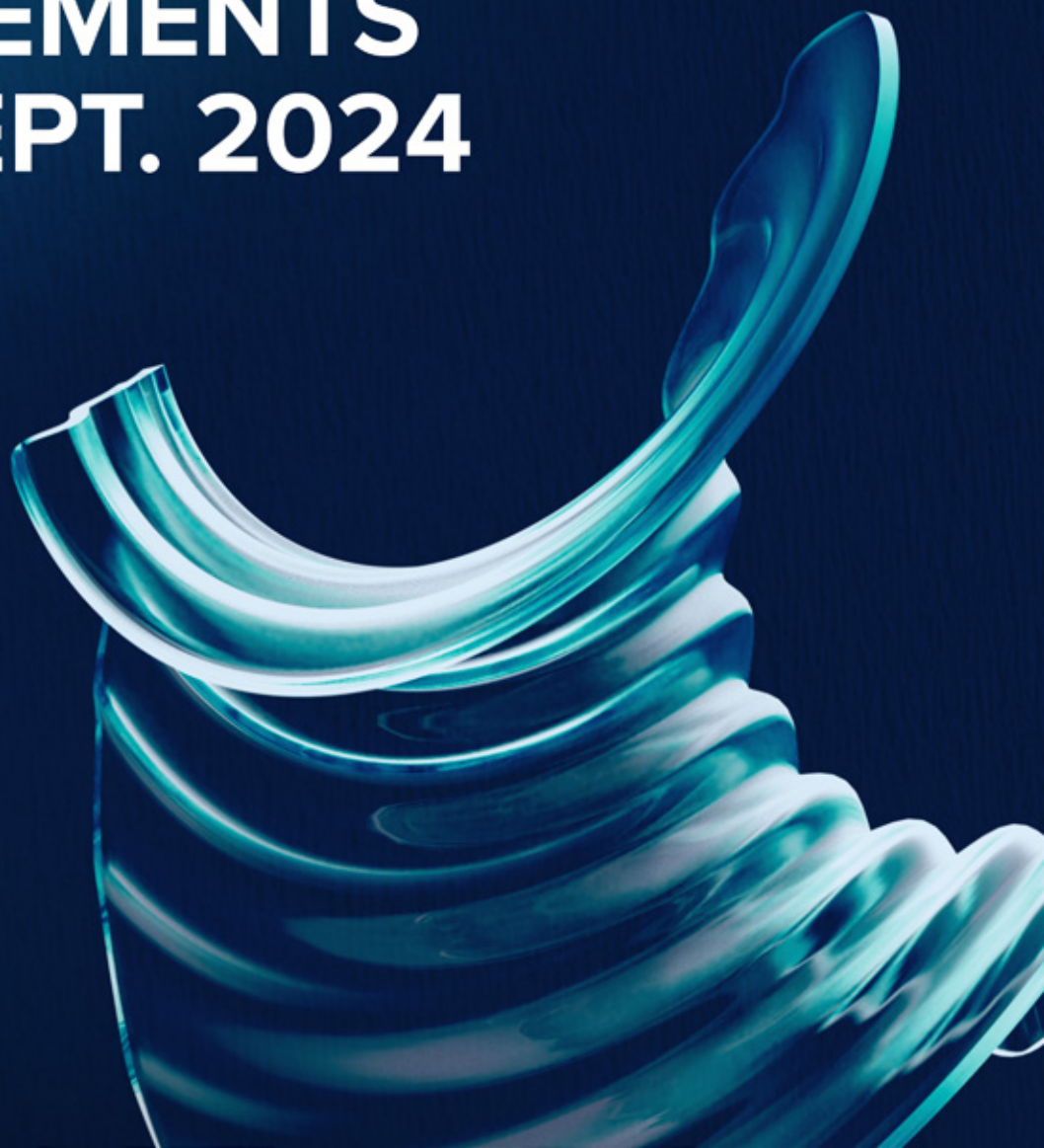
1. Go to [www.baritaboss.com](http://www.baritaboss.com)
2. **Sign up** by clicking either the **Start Investing Now** or **Apply Now** button
3. Click on the **“Create Account”** button
4. **Read and accept the Boss Portal Agreement** by checking the boxes **I Agree to the Terms & Conditions**, and **I Agree to the Privacy Policy** then click **Accept**
5. **Create your Boss Account** by selecting personal or business account, entering your Name, email address, telephone number, create a password
6. **Check your email** provided to activate your BOSS account – click the **Activate My Account** link.
7. **Check your email** for the link to **login**
8. **Login to your Boss Account**
9. Select the available offer – Click **APPLY NOW**
10. **Enter the amount** you wish to invest in the invitation/issue
11. **Select your tranche.** Click on the **“Continue”** button
12. **Read the list** of what is required to apply and click **Continue**
13. **Select the correct response** to “Would you like to use an existing JCSD Number”
14. **Enter your JCSD Number** and Broker details. Click on the **“Continue”** button
15. **Enter your Details** for the application. Click on the **“Continue”** button
16. **Enter your Banking Details** for **Interest Mandate.** Click on the **“Continue”** button
17. **Upload a copy of a valid ID** (driver's license/passport/voter's ID) and Tax Registration Number (TRN). For personal accounts if your ID is a driver's license, a TRN is not required. For business accounts a Company TRN is required . Click on the **“Continue”** button
18. **Check the box** accepting the terms and conditions to **authorize your application.** Click on the **“Continue”** button
19. **Joint holders** over 18 years will receive an **authorized email** that will need to be actioned
20. For **business accounts download the signature** form and **upload** signed and stamped/sealed signature form
21. **Select the correct response Yes or No** to “Have you already made payment?”
22. **Enter payment verification** information & **upload** a copy of **payment.** Click on the **“Continue”** button
23. **Review your application** before submitting
24. **Click Submit Application**
25. **Check your email for a notification on the status of your application**
26. Emails will be sent to the email address you provided when your **application status changes**
27. You can view and **track your Application Status** at any time by signing into BOSS

## EXISTING BOSS USERS:

1. Go to [www.baritaboss.com](http://www.baritaboss.com)
2. Hit the **Log In** button
3. **Enter your credentials**
4. Select the available offer – Click **APPLY NOW**
5. **Enter the amount** you wish to invest in the invitation/issue
6. **Select your tranche**
7. Click on the “**Continue**” button
8. **Read the list** of what is required to apply and click **Continue**
9. **Select the correct response Yes or No** to “Would you like to use an existing JCSD Number”
10. **Enter or select your JCSD Number** and Broker details. Click on the “**Continue**” button
11. **Review your existing Details** for the application. Click on the “**Continue**” button
12. **Enter your Banking Details for Interest Mandate.** Click on the “**Continue**” button
13. **Upload a copy of a valid ID** (driver’s license/passport/voter’s ID) and Tax Registration Number (TRN). For personal accounts if your ID is a driver’s license, a TRN is not required. For business accounts a Company TRN is required. Click on the “**Continue**” button
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17. **Select the correct response Yes or No** to “Have you already made payment?”
18. **Enter payment verification** information & **upload** a copy of **payment.** Click on the “**Continue**” button
19. **Review your application** before submitting
20. **Click Submit Application**
21. **Check your email for a notification on the status of your application**
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23. You can view and **track your Application Status** at any time by signing into BOSS

**APPENDIX 2**  
**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**  
**ENDED SEPTEMBER 30, 2024**

# **FINANCIAL STATEMENTS 30 SEPT. 2024**





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Tel: (876) 926-1616/7, 926-4421  
Fax: (876) 926-7560  
www.bdo.com.jm

Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Barita Investments Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Barita Investments Limited and its subsidiary (the group) and the financial statements of Barita Investments Limited standing alone (the company) set out on pages 7 to 99, which comprise the group's and the company's statement of financial position as at 30 September 2024, and the group's and the company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at 30 September 2024, and of the group's and company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Jamaican Companies Act.

#### **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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

#### **Key Audit Matters**

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



## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Barita Investments Limited

### **Key Audit Matters (cont'd)**

#### *Key Audit Matters*

#### **Expected credit losses in relation to financial assets**

See notes 3(f), 4(b)(v) and 5(a) to the financial statements for management's related policies and disclosures.

The determination of expected credit losses ('ECL') on financial assets is highly subjective and requires management to make significant judgement and estimates involving the application of a forward looking ECL impairment model, which takes into account reasonable and supportable forward looking information and will result in the earlier recognition of impairment provisions. The most significant impact of the implementation of the impairment model is to the provisioning policy for the group's investment securities.

The group makes judgements regarding the recoverability of investment securities making certain assumptions and judgements in arriving at the provision for impairment. The group estimates ECL on debt securities using a transition matrix based on historical default rates for each rating grade apart from AAA. Debt securities were placed in categories based on the class and ratings and loss given default arrived at using the historical recovery rates based on government and corporate defaults.

#### **How our audit addressed the Key Audit Matter**

- The group's accounting policy as it relates to the impairment provisioning for debt securities was obtained and the reasonableness of the impairment provision assessed in relation to the requirements of the standard.
- We updated our understanding of management's ECL model including source data, the effectiveness of the implementation and the mathematical accuracy of the model. We tested the reliability of the source data used in the design of the model by confirming a sample to the public historical data.
- We evaluated the appropriateness of management's assumptions and judgement in arriving at the loss given default percentage by assessing the factors used in establishing the weighting assigned by management. The main macro factors used were compared to external public information and calculations tested through re-computation.
- We determined whether the default risk percentage was accurately calculated and correctly applied to the relevant grade of each debt security.
- We assessed the adequacy of the disclosures of the key assumptions and judgements as well as the details of the transition adjustment for compliance with IFRS 9.

Based on the audit procedures performed, no adjustments to the financial statements were deemed necessary.



## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Barita Investments Limited

### **Key Audit Matters (Cont'd)**

#### **Valuation of investments classified at fair value**

See notes 3(f), 4(b)(v) and 15 to the financial statements for management's related policies and disclosures.

1.22% of the Group's investment securities measured at fair value are instruments for which quoted prices are not available and for which one or more of the significant inputs are not based on observable market data.

The valuation of these investments requires significant estimation. Management uses valuation techniques which involve unobservable inputs.

Investments for which observable market data was limited were classified as level 3 and valued at \$1.40 billion for the Group and Company. These investments relate to investment in unquoted ordinary and preference shares.

Management has determined the fair value of these investments using the income approach which involves the valuation of the underlying assets of a business based on historical and future projected cashflows.

The key areas requiring greater level of management's judgement and estimate is the expected cash flows to be generated by the underlying assets and the determination of the discount rate to be applied, which is subject to high estimation uncertainty.

#### **How our audit addressed the Key Audit Matter**

- We assessed the design and operating effectiveness of the Group's controls over the determination and computation of fair values.
- We assessed the reasonableness of significant assumptions used by management's expert.
- We involved our valuation specialists to assess the method used by management to determine fair value, whether it was appropriate based on the information available.
- We assessed the reasonableness of the cash flow projections by comparing the underlying data to supporting documents and with independent data sources.
- We assessed the adequacy of the disclosures including the degree of estimation involved in determining fair value and sensitivities to changes in any key assumptions.

Based on the audit procedures performed no adjustments to the financial statements were deemed necessary.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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



#### **INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Barita Investments Limited

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements (cont'd)**

In preparing the financial statements, management is responsible for assessing the group's and the 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 and 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's and the company's financial reporting process.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and stand-alone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements do 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.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.



#### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Barita Investments Limited

#### **Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

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

- Identify and assess the risks of material misstatement of the 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 controls 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 the 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 and the 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



#### INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Barita Investments Limited

#### **Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 additional matters 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 financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Balvin Vanriel.

A handwritten signature in dark ink, appearing to be 'BDO' with a stylized flourish.

Chartered Accountants

30 December 2024

# BARITA INVESTMENTS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

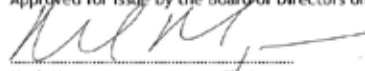
### YEAR ENDED 30 SEPTEMBER 2024


	Note	2024 \$'000	2023 \$'000
Net interest income	7	646,217	581,191
Fees and commission income		3,708,502	3,403,170
Dividend income		117,223	86,771
Foreign exchange trading and translation gains		593,917	604,319
Fair value and realized gains on investments	8	4,871,584	4,356,726
Other		<u>60,531</u>	<u>61,971</u>
Net operating revenue		<u>9,997,974</u>	<u>9,094,148</u>
Operating Expenses			
Staff costs	9	(1,660,759)	(1,735,769)
Administration costs		(2,682,352)	(2,877,446)
Impairment of financial assets		<u>( 640,954)</u>	<u>3,591</u>
	10	<u>(4,984,065)</u>	<u>(4,609,624)</u>
Share of profit from associate	27	<u>24,078</u>	<u>95,028</u>
Profit Before Taxation		5,037,987	4,579,552
Taxation	11	<u>(1,222,338)</u>	<u>(1,164,552)</u>
PROFIT FOR THE YEAR	12	<u>3,815,649</u>	<u>3,415,000</u>
OTHER COMPREHENSIVE INCOME:			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Unrealised losses on securities at FVOCI, net of taxes	11(c)	(2,302,361)	(3,559,278)
ECL adjustment on securities at FVOCI, net of taxes	11(c)	364,224	51,087
Unrealised gain on securities at FVOCI, net of taxes	11(c)	2,517,622	3,041,145
Fair value gain on property, plant and equipment, net of taxes	11(c)	<u>-</u>	<u>27,333</u>
Total other comprehensive income		<u>579,485</u>	<u>( 439,713)</u>
TOTAL COMPREHENSIVE INCOME		<u>4,395,134</u>	<u>2,975,287</u>
BASIC EARNINGS PER SHARE	18	<u>\$3.17</u>	<u>\$2.85</u>

**BARITA INVESTMENTS LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 SEPTEMBER 2024**

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
<b>ASSETS</b>			
Cash and bank balances	13	1,418,377	1,969,835
Securities purchased under resale agreements	14	5,772,918	564,013
Investment securities	15	18,982,704	22,331,633
Pledged assets	16	89,568,260	83,717,008
Receivables	17	7,321,501	2,866,597
Loans	19	13,345,684	11,127,097
Taxation recoverable		453,035	398,511
Due from related parties	20(b)	1,400,119	753,516
Property, plant and equipment	21	836,782	943,136
Intangible assets	22	402,093	21,501
Investment	23	55,000	55,000
Investment property	24	235,857	225,000
Right-of-use assets	25(a)	216,918	252,274
Investment in associate	27	2,305,801	2,281,723
Deferred tax assets	32	-	687,797
<b>Total assets</b>		<b><u>142,315,049</u></b>	<b><u>128,194,641</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES:</b>			
Bank overdraft	13	14,108	45,109
Secured investment notes	28	2,516,170	5,940,517
Securities sold under repurchase agreements	29	84,332,260	76,546,630
Other debt facilities	30	13,953,557	8,300,997
Payables	31	5,247,416	1,466,664
Due to related parties	20(b)	189,316	199,726
Deferred tax liability	32	494,285	-
Lease liabilities	25(b)	265,537	308,395
<b>Total liabilities</b>		<b><u>107,012,649</u></b>	<b><u>92,808,038</u></b>
<b>Stockholders' Equity:</b>			
Share capital	33	32,830,110	32,814,050
Capital reserve	34	175,988	175,988
Fair value reserve	35	( 3,956,320)	( 4,535,805)
Stock option reserve	36	30,340	22,300
Capital redemption reserve	37	220,127	220,127
Retained earnings		<u>6,002,155</u>	<u>6,689,943</u>
<b>Total stockholders' equity</b>		<b><u>35,302,400</u></b>	<b><u>35,386,603</u></b>
<b>Total liabilities and stockholders' equity</b>		<b><u>142,315,049</u></b>	<b><u>128,194,641</u></b>

Approved for issue by the Board of Directors on 30 December 2024 and signed on its behalf by:

  
 Mark Myers Chairman

  
 Carl D. Domville Director



# **BARITA INVESTMENTS LIMITED** **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **YEAR ENDED 30 SEPTEMBER 2024**

	Share Capital \$'000	Treasury Shares \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Stock Option Reserve \$'000	Capital Redemption Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 30 SEPTEMBER 2022	34,668,324	(2,278,873)	148,655	(4,068,759)	186,284	220,127	3,307,820	32,183,478
TOTAL COMPREHENSIVE INCOME								
Profit for the year	-	-	-	-	-	-	3,415,000	3,415,000
Other comprehensive income	-	-	27,333	(467,046)	-	-	-	(439,713)
	-	-	27,333	(467,046)	-	-	3,415,000	2,975,287
TRANSACTION WITH OWNERS								
Adjustment to dividends paid	-	-	-	-	-	-	18,978	18,978
Treasury shares purchased (Note 33)	-	(159,863)	-	-	-	-	-	(159,863)
Treasury shares sold (Note 33)	-	584,562	-	-	-	-	-	584,562
Employee share trust provision (Note 36)	-	-	-	-	160,634	-	-	160,634
Employee share option exercised (Note 36)	-	-	-	-	(324,618)	-	(51,855)	(376,473)
	-	424,699	-	-	(163,984)	-	(32,877)	227,838
BALANCE AT 30 SEPTEMBER 2023	34,668,324	(1,854,174)	175,988	(4,535,805)	22,300	220,127	6,639,943	35,386,603
TOTAL COMPREHENSIVE INCOME								
Profit for the year	-	-	-	-	-	-	3,815,649	3,815,649
Other comprehensive income	-	-	-	579,485	-	-	-	579,485
	-	-	-	579,485	-	-	3,815,649	4,395,134
Adjustment to retained earnings	-	-	-	-	-	-	40,751	40,751
TRANSACTION WITH OWNERS								
Dividends paid (Note 38)	-	-	-	-	-	-	(2,041,716)	(2,041,716)
Dividends proposed (Note 38)	-	-	-	-	-	-	(2,498,504)	(2,498,504)
Treasury shares purchased (Note 33)	-	(6,299)	-	-	-	-	-	(6,299)
Treasury shares sold (Note 33)	-	22,359	-	-	-	-	-	22,359
Employee share trust provision (Note 36)	-	-	-	-	8,040	-	-	8,040
Employee share option exercised (Note 36)	-	-	-	-	-	-	(3,968)	(3,968)
	-	16,060	-	-	8,040	-	(4,544,188)	(4,520,088)
BALANCE AT 30 SEPTEMBER 2024	34,668,324	(1,838,114)	175,988	(3,956,320)	30,340	220,127	6,002,155	35,302,400



# **BARITA INVESTMENTS LIMITED** **CONSOLIDATED STATEMENT OF CASH FLOWS** **YEAR ENDED 30 SEPTEMBER 2024**

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit		3,815,649	3,415,000
Items not affecting cash resources:			
Depreciation and amortisation	21, 22	149,936	126,556
Effect of exchange gain on foreign balances		( 888,101)	( 516,869)
Fair value gain on investment property	24	( 5,000)	( 10,800)
Unrealised gain on investment FVTPL		(4,373,859)	( 3,908,276)
Interest income		(7,607,403)	( 6,177,018)
Interest expense		6,962,543	5,571,407
Effect of exchange rate on lease modified		10,542	( 125)
Taxation expense	11	1,222,338	1,164,552
Lease liability interest expense	25	19,285	21,979
Right-of-use assets amortisation	25	53,221	44,730
Share of profit from associate		( 24,078)	( 95,028)
Share option expense	36	8,040	286,225
Adjustment to property, plant and equipment		<u>4,844</u>	<u>4,036</u>
		( 652,043)	( 73,631)
<b>Changes in operating assets and liabilities:</b>			
Securities purchased under resale agreements, net		(5,181,899)	2,044,865
Securities sold under repurchase agreements, net		7,698,863	16,211,618
Receivables		(4,443,790)	239,205
Loans receivables, net		(1,203,283)	( 532,463)
Payables		3,769,496	( 1,813,949)
Related companies		( 678,456)	55,339
Secured investment notes		<u>(3,504,980)</u>	<u>( 5,840,965)</u>
		(4,196,092)	10,290,019
Interest received		6,613,010	5,691,402
Interest paid		(7,733,337)	( 5,002,423)
Lease payments		( 80,175)	( 65,847)
Tax paid		<u>( 163,808)</u>	<u>( 198,118)</u>
Cash (used in)/provided by operating activities		<u>(5,560,402)</u>	<u>10,715,033</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	21	( 387,007)	( 27,868)
Purchase of intangible assets	22	( 43,171)	( 17,929)
Proceeds from disposal of property, plant and equipment		1,160	-
Investment securities including pledged assets, net		<u>1,880,101</u>	<u>(15,377,939)</u>
Cash provided by/(used in) investing activities		<u>1,451,083</u>	<u>(15,423,736)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid		(2,092,114)	( 3,026,563)
Treasury shares sold		16,060	377,049
Other debt facilities		<u>5,653,261</u>	<u>8,299,844</u>
Cash provided by financing activities		<u>3,577,207</u>	<u>5,610,330</u>
Effect of exchange rate on cash and cash equivalents		<u>11,655</u>	<u>6,921</u>
(Decrease)/increase in net cash and equivalents		( 520,457)	908,548
Cash and cash equivalents at beginning of year		<u>1,924,726</u>	<u>1,016,178</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	13	<u>1,404,269</u>	<u>1,924,726</u>


**BARITA INVESTMENTS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
 YEAR ENDED 30 SEPTEMBER 2024

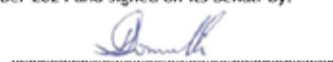
	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Net interest income	7	709,362	512,800
Fees and commission income		3,137,001	2,870,571
Dividend income		117,205	86,771
Foreign exchange trading and translation gains		547,115	591,154
Fair value and realized gains on investments	8	4,787,108	4,265,657
Other		<u>138,721</u>	<u>165,362</u>
Net operating revenue		<u>9,436,512</u>	<u>8,492,315</u>
Operating Expenses			
Staff costs	9	(1,586,357)	(1,566,448)
Administration costs		(2,624,121)	(2,838,671)
Impairment of financial assets		<u>( 605,789)</u>	<u>( 7,852)</u>
	10	<u>(4,816,267)</u>	<u>(4,412,971)</u>
Share of profit from associate	27	<u>24,078</u>	<u>95,028</u>
Profit Before Taxation		4,644,323	4,174,372
Taxation	11	<u>(1,045,720)</u>	<u>( 979,648)</u>
Profit For The Year	12	<u>3,598,603</u>	<u>3,194,724</u>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Unrealised losses on securities at FVOCI, net of taxes	11(c)	(2,302,361)	(3,489,405)
Unrealised gain on securities at FVOCI, net of taxes	11(c)	2,512,928	3,041,145
Fair value gain on property, plant and equipment, net of taxes	11(c)	-	47,927
ECL adjustment on securities at FVOCI, net of taxes	11(c)	<u>453,208</u>	<u>27,333</u>
Total other comprehensive income		<u>663,775</u>	<u>( 373,000)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>4,262,378</b></u>	<u><b>2,821,724</b></u>

**BARITA INVESTMENTS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**30 SEPTEMBER 2024**

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
<b>ASSETS</b>			
Cash and bank balances	13	1,324,095	1,894,849
Securities purchased under resale agreements	14	5,772,918	564,013
Investment securities	15	30,156,456	27,245,072
Pledged assets	16	89,568,260	83,717,008
Receivables	17	7,212,275	2,805,780
Loans	19	9,474,822	7,364,630
Tax recoverable		440,458	440,458
Due from related parties	20(b)	1,406,165	949,409
Property, plant and equipment	21	836,277	942,485
Intangible assets	22	402,093	21,501
Investment	23	55,000	55,000
Investment property	24	235,857	225,000
Right-of-use assets	25(a)	216,918	252,274
Investment in subsidiaries	26	3,421,864	3,433,720
Investment in associate	27	2,305,801	2,281,723
Deferred tax assets	32	-	697,249
Total assets		<u>152,829,259</u>	<u>132,890,171</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>LIABILITIES:</b>			
Bank overdraft	13	14,108	45,109
Secured investment notes	28	13,056,218	10,386,809
Securities sold under repurchase agreements	29	84,378,439	76,546,630
Other debt facilities	30	13,936,199	8,283,628
Payables	31	5,145,933	1,392,582
Due to related parties	20(b)	220,500	280,395
Deferred tax liability	32	492,630	-
Lease liabilities	25(b)	<u>265,537</u>	<u>308,395</u>
Total liabilities		<u>117,509,564</u>	<u>97,243,548</u>
<b>Stockholders' Equity:</b>			
Share capital	33	34,668,224	34,668,224
Capital reserve	34	237,843	237,843
Fair value reserve	35	( 3,834,509)	( 4,498,284)
Stock option reserve	36	26,117	20,837
Capital redemption reserve	37	313,590	313,590
Retained earnings		<u>3,908,430</u>	<u>4,904,413</u>
Total stockholders' equity		<u>35,319,695</u>	<u>35,646,623</u>
Total liabilities and shareholders' equity		<u>152,829,259</u>	<u>132,890,171</u>

Approved for issue by the Board of Directors 30 December 2024 and signed on its behalf by:

  
 Mark Myers Chairman

  
 Carl D. Domville Director

# **BARITA INVESTMENTS LIMITED** **STATEMENT OF CHANGES IN EQUITY** **YEAR ENDED 30 SEPTEMBER 2024**

	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Stock Option Reserve \$'000	Capital Redemption Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 30 SEPTEMBER 2022	34,668,224	210,510	(4,097,951)	146,428	313,590	1,761,544	33,002,345
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	3,194,724	3,194,724
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income	-	27,333	(400,333)	-	-	-	(373,000)
	-	27,333	(400,333)	-	-	3,194,724	2,821,724
TRANSACTION WITH OWNERS	-	-	-	81,419	-	-	81,419
Employee share trust provision (Note 36)	-	-	-	(207,010)	-	(51,855)	(258,865)
Employee share option exercised (Note 36)	-	-	-	(125,591)	-	(51,855)	(177,446)
BALANCE AT 30 SEPTEMBER 2023	34,668,224	237,843	(4,498,284)	20,837	313,590	4,904,413	35,646,623
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	3,598,603	3,598,603
Profit for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	663,775	-	-	-	663,775
	-	-	663,775	-	-	3,598,603	4,262,378
TRANSACTION WITH OWNERS	-	-	-	-	-	(2,092,114)	(2,092,114)
Dividends paid (Note 38)	-	-	-	-	-	(2,498,504)	(2,498,504)
Dividends proposed (Note 38)	-	-	-	5,280	-	-	5,280
Employee share trust provision (Note 36)	-	-	-	-	-	(3,968)	(3,968)
Employee share option exercised (Note 36)	-	-	-	5,280	-	(4,594,586)	(4,589,306)
BALANCE AT 30 SEPTEMBER 2024	34,668,224	237,843	(3,834,509)	26,117	313,590	3,908,430	35,319,695

# BARITA INVESTMENTS LIMITED

## STATEMENT OF CASH FLOWS

### YEAR ENDED 30 SEPTEMBER 2024

	<u>Note</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit		3,598,603	3,194,724
Items not affecting cash resources:			
Depreciation and amortisation	21,22	149,790	126,394
Effect of exchange gain on foreign balances		( 841,299)	( 497,480)
Unrealised gain on investment FVTPL		(4,289,383)	( 3,908,276)
Interest income		(8,436,546)	( 6,220,730)
Interest expense		7,727,184	5,682,995
Fair value gains on investment property	24	( 5,000)	( 10,800)
Effect of exchange rate on lease modified		10,542	( 125)
Income tax expense	11	1,045,720	979,648
Lease liability interest expense	25	19,285	21,979
Right-of-use assets amortisation	25	53,221	44,730
Share of profit from associate		( 24,078)	( 95,028)
Share option expense	36	5,280	207,010
Adjustment to property, plant and equipment		<u>4,844</u>	<u>4,036</u>
		( 981,837)	( 470,923)
Changes in operating assets and liabilities:			
Securities purchased under resale agreements, net		(5,181,899)	2,044,865
Securities sold under repurchase agreements, net		7,703,175	16,211,618
Receivables		(4,395,381)	273,980
Loans receivables, net		(1,385,977)	3,229,232
Payables		3,753,351	( 1,810,030)
Related companies, net		( 516,650)	155,136
Secured investment notes		<u>2,460,345</u>	<u>( 1,411,907)</u>
		1,455,127	18,221,971
Interest received		6,340,540	5,618,774
Interest paid		(7,325,748)	( 5,086,230)
Lease payments		( 80,175)	( 65,847)
Cash provided by operating activities		<u>389,744</u>	<u>18,688,668</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	21	( 387,007)	( 27,868)
Purchase of intangible assets	22	( 43,171)	( 17,929)
Proceeds from disposal of property, plant and equipment		1,160	-
Investment securities including pledged assets, net		(4,014,624)	(21,259,969)
Investment in subsidiary	26	( 11,855)	( 1,627,156)
Cash used in investing activities		<u>(4,455,497)</u>	<u>(22,932,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Dividends paid		(2,092,114)	( 3,026,563)
Other debt facilities		<u>5,653,261</u>	<u>8,242,475</u>
Cash provided by financing activities		<u>3,561,147</u>	<u>5,215,912</u>
Effect of exchange rate on cash and cash equivalents		( 35,147)	( 2,665)
(Decrease)/increase in net cash and equivalents		( 539,753)	968,993
Net cash and cash equivalents at beginning of year		<u>1,849,740</u>	<u>880,747</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	<u>1,309,987</u>	<u>1,849,740</u>

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 1. IDENTIFICATION, REGULATION AND LICENCE:

Barita Investments Limited (Barita or the company) is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is 15 St. Lucia Way, Kingston 5. The controlling party of the company is Cornerstone Financial Holdings Limited with a 75% ownership as at year end. The registered office of Cornerstone Financial Holdings is located at Suite I, Ground Floor, The Financial Services Centre, Bishop's Court Hill, Barbados.

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

The company founded the Cornerstone Group Employee Trust, as a special purpose entity, by the contributing of shares for the establishment of the Trust. The Trust acts as holding agent of shares within the company's Employee Stock Option Plan.

The principal activities of the company and its wholly owned subsidiary, Barita Unit Trusts Management Company Limited (BUTM), are securities brokerage, money market activities, cambio operations, investment banking and funds management.

The company acquired 20% of the shareholding of Derrimon Trading Company Limited (DTC). DTC is incorporated and registered in Jamaica. DTC is an associated company of Barita Investments Limited (see Note 27.)

"The Group" refers collectively to the company, its subsidiary and the employee trust.

#### 2. REPORTING CURRENCY:

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates 'the functional currency'. These financial statements are presented in Jamaican dollars, which is considered the group's functional and presentation currency.

#### 3. MATERIAL 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. Where necessary, amounts have been reclassified to conform to current year presentation. Amounts are rounded to the nearest thousand unless otherwise stated.

##### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and have been prepared under the historical cost convention as modified by the revaluation of fair value through other comprehensive income and fair value through profit or loss investment securities, and certain items of property, plant and equipment. They are also prepared in accordance with requirements of the Jamaican Companies Act.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRS Accounting Standards 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 actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

**New, revised and amended standards and interpretations that became effective during the year**

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

**Amendment to IAS 1, 'Presentation of Financial Statements' (effective for accounting periods beginning on or after 1 January 2023).** This amendment requires entities to disclose their material rather than their significant accounting policies. The amendment defines what is 'material accounting policy information' and explains how to identify when accounting policy information is material. The amendment further clarifies that immaterial accounting policy information does not need to be disclosed, but, if disclosed, should not obscure material accounting information. IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2023).** These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

**Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2023).** The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.



**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

**3. MATERIAL ACCOUNTING POLICIES (CONT'D):**

**(a) Basis of preparation (cont'd)**

New, revised and amended standards and interpretations that became effective during the year (cont'd)

Amendments to IAS 12 'Income Taxes', (effective for accounting periods beginning on or after 1 January 2023). The main change in deferred tax related to assets and liabilities from a single transaction is an exemption from the initial recognition exemption provided in IAS 12.15 and IAS 12.24. accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The adoption of these amendments did not have a material impact on the group's financial statements.

**New standards, amendments and interpretation not yet effective and not early adopted**

At the date of authorisation of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but not yet effective and which the group has not early adopted.

The standards which management considered may be relevant to the group are as follows:

Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2024). The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The adoption of these amendments is not expected to have a significant impact on the group.

Amendments to IAS 16 'Property, Plant and Equipment', (effective for accounting periods beginning on or after 1 January 2024). The amendment changes the accounting for proceeds from sale of items produced before a PPE is available for use. Previously, IAS 16 requires the proceeds from selling items before intended use to be offset against the cost of PPE. Under the amendments these proceeds are to be included the statement of profit or loss and should not be deducted from the cost of the PPE. The adoption of these amendments is not expected to have a significant impact on the group.



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (a) Basis of preparation (cont'd)

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. These include:

- The requirement to classify all income and expense into specific categories and provide specified totals and subtotals in the statement of profit or loss.
- Enhanced guidance on the aggregation, location and labelling of items across the primary financial statements and the notes.
- Mandatory disclosure about management-defined performance measures (a subset of alternative performance measures).

Amendments to IAS 1, 'Presentation of Financial Statements', (effective for accounting periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of these amendments is not expected to have a significant impact on the group.

The group does not expect any other standards or interpretations issued by the IASB, but not yet effective, to have a material effect on its financial position.

##### (b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has right 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 recognizes Cornerstone Group Employee Share Trust as a special purpose entity. The subsidiaries consolidated are Barita Unit Trusts Management Company Limited which is 100% owned and Cornerstone Group Employee Share Trust.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (b) Basis of consolidation (cont'd)

###### Acquisitions from third parties

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated 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 value at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquirees either at fair value or at the non-controlling interests proportionate share of the acquirees' net assets.

###### Acquisitions involving entities under common control

The predecessor method of accounting is used to account for acquisitions involving entities under common control, as such acquisitions are outside of the scope of IFRS 3. Under the predecessor method of accounting, the acquiring entity consolidates the results and net assets of the acquired entity either from the date of acquisition, or as if the acquisition had always taken place, and the current structure had always been in existence. In electing to utilize the latter option, the prior year's comparatives are restated.

In applying the predecessor method, the purchase consideration for the acquisition is eliminated against the book value of net assets acquired (adjusted for inconsistencies in accounting policies) with any resulting difference being dealt with as an adjustment to equity. There is no goodwill created, nor is there any negative goodwill recognized.

The group has elected to treat all such acquisitions as if the acquisition had taken place in previous years.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The accounting policies of the subsidiary and the employee share trust are consistent with those adopted by the group.

##### (c) Investment in associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% and the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investee's share of profit or loss after the date of acquisition.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (c) Investment in associates (cont'd)

The group share of its associates post-acquisition profits or losses is recognized in the income statements. 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 recognize for losses unless it has incurred obligations or made payments on behalf of the associate.

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 to ensure that a year's result is accounted for, as applicable.

##### (d) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Operating segments are reported in a manner consistent with internal reporting to the group's chief operating decision maker.

##### (e) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the mid-point of the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are recognized in other comprehensive income.

##### (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.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (f) Financial instruments (cont'd)

##### Financial assets

##### (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 group'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 recognized on the date at which the group becomes a party to the contractual provisions of the instrument, i.e. the date they originated. Financial assets are derecognized 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, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets 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 depends 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:

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (f) Financial instruments (cont'd)

##### Financial assets (cont'd)

##### (iii) Measurement (cont'd)

##### Debt instruments (cont'd)

- **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 finance income using the effective interest rate method. Any gains or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI** - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movement 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 recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL** - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### Equity instruments

The group subsequently 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 P&L previously classified as fair value through OCI following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the group's right to receive payment is established.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (f) Financial instruments (cont'd)

##### Financial assets (cont'd)

##### (iii) Measurement (cont'd)

##### Equity instruments (cont'd)

Changes in fair value of financial assets at FVPL are recognized in gains/(losses) 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 and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### Financial liabilities

The group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: securities sold under repurchase agreements, bank overdraft, due to related company, lease liabilities, secured investment notes, other debt facilities, and trade payables.

##### (g) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (g) Leases (cont'd)

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

The right-of-use assets have been calculated at an amount equal to the initial value of the lease liability, adjusted for the following items:

- i) Any lease payments made at or before the commencement date, less any lease incentives received;
- ii) Any initial direct costs incurred by the group;
- iii) An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

For short-term leases that have a lease term of 12 months or less and low-value assets, the group has elected to not recognize a lease obligation and right-of-use assets and instead will recognize a lease expense as permitted under IFRS 16.

The right-of-use assets will be depreciated using the straight-line method from the date of adoption to the earlier of the end of the useful life of the asset or end of the lease term as determined under IFRS 16.

Under IFRS 16, the right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of assets which replaced the previous requirement to recognize a provision for onerous lease contracts under IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

### (g) Leases (cont'd)

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (h) Revenue recognition

###### Interest income

Interest income and expense are recognized in profit or loss for all interest bearing instruments on an accrual basis using the effective interest rate method. Interest income includes coupons earned on fixed income investments and accrued discounts or premiums on treasury bills and other discounted instruments.

###### Fees and commission income

Fees and commission income are recognized on an accrual basis when the service has been provided. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction.

###### Dividend income

Dividends are recognized when the right to receive payments is established.

###### Gain or loss on sale of Investment

Gain or loss on the disposal or maturity of investments, is determined by comparing sale proceeds with the carrying amount of the investment. The amount is recognized in profit or loss for the year.

When investment securities are disposed of the related accumulated unrealised gains or losses included in the fair value reserve are recognized by recycling those gains or losses through other comprehensive income.

##### (i) Current and deferred income taxes

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (i) Current and deferred income taxes (cont'd)

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

##### (j) Property, plant and equipment

Items of property, plant and equipment are initially recorded at historical or deemed cost, less accumulated 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 company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the capital reserve except to the extent that any decrease in value in excess of the credit balance on the capital reserve, or reversal of such a transaction, is recognised in profit or loss.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (j) Property, plant and equipment (cont'd)

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Leasehold improvements	Life of lease
Office furniture, machines and equipment	10 years
Computer equipment	2 - 10 years
Motor vehicles	3 -5 years

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

##### (k) Receivables

Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Impairment of receivables is determined using the simplified approach based on the requirements of IFRS 9.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in profit or loss.

##### (l) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralized financing transactions.

The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the repurchase agreements using the effective yield method.

Securities purchased under agreements to resell and sold under agreements to repurchase are carried on the statement of financial position at amortised cost.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (m) Secured investment notes

Loan note payable are recognized initially at the proceeds received net of transaction costs incurred. Secured investment loan notes are subsequently measured at amortised cost.

##### (n) Other debt facilities

Other debt facilities are recognized initially at cost, being their issue proceeds, net of transaction cost incurred. Subsequently, other debt facilities are stated at amortised cost and any difference between net proceeds and redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the debt using the effective yield method.

##### (o) Payables

Payables are initially recognized at fair value and are subsequently measured at amortised cost.

##### (p) Fiduciary activities

The group commonly acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts and other institutions. These assets and income arising thereon are excluded from these financial statements as they are not assets of the group.

##### (q) Employee benefits

###### Defined contribution plans

The group maintains a pension plan for its eligible employees and agents. The pension plan is a defined contribution plan, the assets of which are held in a separate trustee administered fund. The plan is generally funded by basic employee contributions of 5% of pensionable salary and voluntary contributions up to a maximum of an additional 5%. This is matched by the group, once the group's contributions have been paid the group has no further payment obligations. The group contributions to the plan are charged to profit or loss in the year to which they relate.

###### Other

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (q) Employee benefits (cont'd)

###### Share based 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 the options is recognised as an expense, with corresponding increase in equity, over the period in which the employee becomes vested to the group. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At the end of each reporting period, the group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the statement of profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

##### (r) Intangible assets

Intangible assets, which represent computer software, are deemed to have a finite useful life of five years and are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

##### (s) Related party balances and transactions

Parties are considered to be related if directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the entity (this includes parents, subsidiaries and fellow subsidiaries) has significant influence over the entity or has joint control over the entity. Related party balance and transactions are disclosed for the following:

- (i) Enterprises and individuals owning, directly or indirectly, a significant interest in voting power of the group and /or having significant influence over the Group's affairs and close members of the family of these individuals.
- (ii) Key management personnel, that is those persons having authority and responsibility for planning directing and controlling the activities of the group, including directors, officers and close members of the families of these individuals.

##### (t) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (u) Investment property

Investment property, comprising principally land and building, is held for rental yields and capital appreciation and is treated as long term investments. It is measured initially at cost, including related transaction costs and subsequently measured at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value reflects, on a similar basis, expected cash outflows in respect of the property. Fair value is determined every year by an independent registered valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in profit or loss.

##### (v) Loans receivable and provision for credit losses

The group recognizes loss allowances for expected credit losses (ECL) on financial instruments that are not measured at fair value. Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money or services directly to a debtor with no intention of trading the receivable. Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

An allowance for loan impairment is established based on lifetime ECL which is the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 1 financial instruments'. If significant increase in credit risk since initial recognition is identified, the financial instruments is moved to 'Stage 2' but is not yet deemed to be credit impaired. If the financial instrument is credit impaired, it is then moved to 'Stage 3'.

The amount of the provision is derived based on model which takes account of, among other factors, the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan and probability of default.

A loan is classified as impaired when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. When a loan is classified as impaired, recognition of interest in accordance with the original terms and conditions of the loan ceases, and interest is taken into account on a cash basis.

Write offs are made when the group determines that there is no realistic prospect of recovery. Write offs are charged against previously established provisions for credit losses. Recoveries in part or in full of amounts previously written off are credited to provision for credit losses in the statement of profit or loss.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (w) Dividend distribution

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

##### (a) Critical judgement in applying the Group's accounting policies

In the process of applying the group's accounting policies, management has made the following judgement that could cause a significant impact on the amounts recognized in the financial statements.

##### **Determination of whether the group acts as principal or agent in the management of various managed funds**

IFRS 10, Consolidated Financial Statements, which was adopted by the group on 1 October 2016, resulted in the group assessing its relationship (to determine whether it acts as principal or agent) with various managed funds. These include a number of segregated pension funds, unit trusts and structured entities (collectively, the "managed funds"), managed either by the company or by BUTM.

In determining whether to consolidate managed funds, the Group considers its ability to direct the relevant activities of the entities. Ability to direct the relevant activities is generally evidenced through a unilateral right to liquidate the entities, investment in the securities issued by the entities that gives rise to control or where the Group holds specific subordinate securities that embody certain controlling rights. The Group may further consider relevant activities embedded within contractual arrangements such as call options which give the practical ability to direct the entities, special relationships between the entities and investors, and whether a single investor has a large exposure to variable returns of the entities.



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

**4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

**(a) Critical judgement in applying the Group's accounting policies (cont'd)**

**Determination of whether the group acts as principal or agent in the management of various managed funds (cont'd)**

Judgement is required in determining control over managed funds. The purpose and design of the entities are considered, along with a determination of what the relevant activities are of each entity and who directs them. Further judgements are made around which investor is exposed to and absorbs the variable returns of the entities. The Group weighs all of these facts in considering whether it is acting as a principal in its own right or as an agent on behalf of others. Judgement is further required in the ongoing assessment of control over managed funds, specifically if market conditions have an effect on the variable return exposure of different investors.

The group has therefore concluded that it acts in relation to the managed funds in the capacity of agent, with limitations on its scope of authority, ability to be terminated as fund manager and levels of direct interests and remuneration that are appropriate for the services provided and consistent with industry practices.

**(b) Key sources of estimation uncertainty**

The group makes certain estimates and assumptions regarding 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 assets and liabilities within the next financial year are discussed below:

**(i) Fair value estimation**

A number of assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement of the group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are; the 'fair value hierarchy:

- Level 1** Quoted prices in active markets for identical assets or liabilities. (unadjusted)
- Level 2** 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 3** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

##### (b) Key sources of estimation uncertainty (cont'd)

##### (i) Fair value estimation (cont'd)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair value of financial instruments traded in active markets, such as investments fair value either through OCI or through profit or loss, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the JSE.

The fair values of financial instruments that are not traded in an active market are deemed to be/determined as follows:

The carrying values less any impairment provision of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values due to the short term maturity of these instruments. These financial assets and liabilities are cash and cash equivalents, trade receivables, trade payables, related company balances and unquoted investments.

##### (ii) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognizes assets and liabilities for possible tax issues based on estimates of whether additional taxes will become recoverable or will become 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.

##### (iii) Expected maturity dates for financial assets and liabilities

In disclosing its financial risk management, and considering its management of liquidity risk, the group discloses the expected maturity of its financial assets and financial liabilities. It is management's experience that the contractual maturity of these assets and liabilities differ from the liquidation of these assets and liabilities, which makes the disclosure of expected maturity more meaningful to the users of the financial statements. The actual liquidation of the assets and liabilities may differ from management's estimates.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

##### (b) Key sources of estimation uncertainty (cont'd)

##### (iv) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The group applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

##### (v) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost 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 and debt issuers defaulting and the resulting losses). Significant judgement is also required in applying the accounting requirements for measuring ECL, such as:

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

#### 5. FINANCIAL RISK MANAGEMENT:

The group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on group's financial performance.

The group's risk management policies are designed to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The group is exposed through its operations to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign exchange risk
- Fair value or cash flow interest rate risk and
- Other market price

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board, through the Asset and Liability Management Committee, Treasury Department, Audit Committee and Risk Manager, manages and monitors risks as follows:

##### (i) Assets and Liabilities Management Committee

This committee is responsible for monitoring the profile of the group's assets and liabilities. This includes monitoring policies and procedures that are established to ensure that there is sufficient liquidity and that interest rate risk, currency risk and capital adequacy is also monitored.

##### (ii) Treasury Department

This department is responsible for monitoring the profile of the group's assets and liabilities. It is also primarily responsible for managing the funding and liquidity risks of the group. It manages these risks by monitoring the statement of financial position and ensuring that business strategies are consistent with liquidity requirements measuring the capital adequacy for regulatory and business requirements and monitoring the composition of the assets and liabilities of the group.

##### (iii) Audit Committee

The Audit Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Audit Committee is assisted in its oversight role by internal Audit, which is outsourced. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

##### (iv) Risk Manager

The Risk Manager inspects the group's operations by reviewing new ventures and projects, new lines of business, and new and existing products for risk exposure. The Risk Manager also ensures compliance with regulations and policies. Periodic reports are prepared by the Risk Manager and presented to senior management and the Board of Directors.

The most important types of financial risk faced by the group are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate risk.

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

**5. FINANCIAL RISK MANGEMENT (CONT'D):**

**(a) Credit risk**

The group takes on exposure to credit risk, which is the risk that its clients or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations. Credit risk is a significant risk for the group business; management therefore carefully manages its exposure to credit risk. Credit exposure arises principally in lending and investment activities. The group structures the levels of credit risk it undertakes as documented below. The group's and the company's maximum exposure to credit risk equals the carrying amounts on the statements of financial position, for the financial assets which expose the group and company to credit risk.

The overall objective of the group is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility.

**Concentration of credit risk**

There is no significant concentration of credit risk in the loans issued by the group. In addition to assessment of earnings and cash flows, management obtains collateral in the form of hypothecated securities sold under repurchase agreement, or units held in any of the trusts managed by BUTM. The group seeks to ensure that the value of hypothecated securities exceeds the loan amount.

Exposure to credit risk is managed through regular analysis of the ability of the customers and other counter-parties to meet repayment obligations. These are monitored regularly to ensure payments are received in accordance with the agreed terms.

The group measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk and not a longer period, even if contract extension or renewal is common practice.

The gross carrying amount of financial assets below also represents the group's maximum exposure to credit risk on these assets.

The following tables contains an analysis of the credit risk exposure of financial instruments for which it was concluded that an ECL allowance is required. The gross carrying amount of financial assets below also represents the group's maximum exposure to credit risk on these assets and are due within five year.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANGEMENT (CONT'D):

##### (a) Credit risk (cont'd)

##### Concentration of credit risk (cont'd)

##### Loss allowance

The loss allowance as at 30 September 2024 and 30 September 2023 was determined as follows for loan receivables:

	The Group					
	2024			2023		
	Gross Carrying Amount \$'000	Loan allowance \$'000	Expected loss rate %	Gross Carrying Amount \$'000	Loan allowance \$'000	Expected loss rate %
Within 1 to 3 months	3,168,831	44,953	1.11	1,954,601	1,907	0.10
3 to 12 months	2,150,300	5,253	0.24	1,095,382	18,819	1.72
1 to 5 years	8,098,048	177,964	2.20	8,308,712	210,872	2.54
Over 5 years	157,751	1,076	0.68	-	-	-
	<u>13,574,930</u>	<u>229,246</u>		<u>11,358,695</u>	<u>231,598</u>	

	The Company					
	2024			2023		
	Gross Carrying Amount \$'000	Loan allowance \$'000	Expected loss rate %	Gross Carrying Amount \$'000	Loan allowance \$'000	Expected loss rate %
Within 1 to 3 months	1,920,621	44,952	1.84	1,670,763	664	0.04
3 to 12 months	1,607,730	177	0.01	315,569	8,960	2.84
1 to 5 years	6,111,224	162,993	2.67	5,561,229	173,307	3.12
Over 5 years	43,413	44	0.10	-	-	-
	<u>9,682,988</u>	<u>208,166</u>		<u>7,547,561</u>	<u>182,931</u>	

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

5. FINANCIAL RISK MANGEMENT (CONT'D):

(a) Credit risk (cont'd)

Concentration of credit risk (cont'd)

Loss allowance (cont'd)

Loss allowance on loan recognized in profit or loss during the year is summarised below:

	The Group			
	2024			
	Stage 1 12 months ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Total \$'000
Standard risk	13,572,812	-	-	13,572,812
Past due	-	-	-	-
Credit impaired	-	-	2,118	2,118
Gross carrying amount	13,572,812	-	2,118	13,574,930
Loss allowance	( 227,128)	-	(2,118)	( 229,246)
Carrying amount	<u>13,345,684</u>	<u>-</u>	<u>-</u>	<u>13,345,684</u>
	The Group			
	2023			
	Stage 1 12 months ECL \$'000	Stage 2 Lifetime ECL \$'000	Stage 3 Lifetime ECL \$'000	Total \$'000
Standard risk	11,356,745	-	-	11,356,745
Past due	-	-	-	-
Credit impaired	-	-	1,950	1,950
Gross carrying amount	11,356,745	-	1,950	11,358,695
Loss allowance	( 229,648)	-	(1,950)	( 231,598)
Carrying amount	<u>11,127,097</u>	<u>-</u>	<u>-</u>	<u>11,127,097</u>

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANGEMENT (CONT'D):

### (a) Credit risk (cont'd)

#### Concentration of credit risk (cont'd)

#### Loss allowance (cont'd)

	The Company			
	2024			
	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
	\$'000	\$'000	\$'000	\$'000
Standard risk	9,680,870	-	-	9,680,870
Past due	-	-	-	-
Credit impaired	-	-	2,118	2,118
Gross carrying amount	9,680,870	-	2,118	9,682,988
Loss allowance	( 206,048)	-	(2,118)	( 208,166)
Carrying amount	<u>9,474,822</u>	<u>-</u>	<u>-</u>	<u>9,474,822</u>

	The Company			
	2023			
	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
	\$'000	\$'000	\$'000	\$'000
Standard risk	7,545,611	-	-	7,545,611
Past due	-	-	-	-
Credit impaired	-	-	1,950	1,950
Gross carrying amount	7,545,611	-	1,950	7,547,561
Loss allowance	( 180,981)	-	(1,950)	( 182,931)
Carrying amount	<u>7,364,630</u>	<u>-</u>	<u>-</u>	<u>7,364,630</u>

#### Investment and cash

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 and Bank of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations. The concentration of credit risk associated with the group's investments portfolio is shown below, under the heading; Debt Securities Concentration.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANGEMENT (CONT'D):

##### (a) Credit risk (cont'd)

##### Concentration of credit risk (cont'd)

##### Collateral and other credit enhancements

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

The main types of collateral are as follows:

- (i) For loans receivables - investment securities and properties
- (ii) For securities purchased under resale agreements - GOJ or BOJ investment securities

Management monitors the market value of collateral held and requests additional collateral in accordance with the underlying agreements when additional collateral is required.

##### Impairment

##### 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. Issuer-specific default risk estimates incorporate forward-looking information directly. In calculating the probability of default, the group uses credit ratings along with rating outlooks from recognized rating agencies, as well as issuer-specific default risk estimates where available and appropriate. The ratings and risk estimates are mapped to an internal credit risk grading model in order to standardize across different rating systems and to clearly demarcate significant increase 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 the security is categorized 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 are considered to have experienced a significant increase in credit risk if it is more than 30 days past due on its contractual payments.



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANGEMENT (CONT'D):

##### (a) Credit risk (cont'd)

##### Impairment (cont'd)

##### Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1'.
- 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.

The group assesses on a forward-looking basis the ECL associated with debt investments. The ECL recognized by the group reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost at the reporting date. The ECL is the product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The PD presents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

5. FINANCIAL RISK MANGEMENT (CONT'D):

(a) Credit risk (cont'd)

Impairment (cont'd)

Expected credit loss measurement (cont'd)

EAD is based on the amounts the group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

LGD represents the group's expectation of the extent of loss on a defaulted exposure. LGD is calculated on a 12 month or a lifetime basis, where 12 month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is a percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

All of the group's debt investments at amortised cost and FVOCI are considered to have low credit risk and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for bonds to be those with an investment grade 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.

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Opening loss allowance as at 1 October 2023 calculated under IFRS 9	264,441	253,041	324,058	252,168
Increase in loss allowance recognized in the income statement during the year	358,608	11,400	492,084	71,890
	<u>623,049</u>	<u>264,441</u>	<u>816,142</u>	<u>324,058</u>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (a) Credit risk (cont'd)

##### Impairment (cont'd)

##### Debt securities concentration

The following table summarises the group's and company's credit exposure for debt securities at their carrying amounts, as categorized by issuer:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Government of Jamaica				
and Bank of Jamaica	34,570,497	33,204,905	34,570,497	33,533,208
Financial Institutions	5,953,517	7,235,274	5,953,517	7,235,274
Corporate and other				
bonds	<u>46,433,263</u>	<u>43,950,588</u>	<u>59,445,289</u>	<u>49,034,438</u>
	86,957,277	84,390,767	99,969,303	89,802,920
Accrued interest	<u>2,519,890</u>	<u>1,366,325</u>	<u>3,024,210</u>	<u>1,512,591</u>
	<u>89,477,167</u>	<u>85,757,092</u>	<u>102,993,513</u>	<u>91,315,511</u>

##### (b) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due and is also unable to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay investors and fulfil commitments to lend.

##### Liquidity risk management process

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

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of 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.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (b) Liquidity risk (cont'd)

#### Liquidity risk management process (cont'd)

- (iii) Maintaining committed lines of credit
- (iv) Optimising cash returns on investments
- (v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements
- (vi) Managing the concentration and profile of debt maturities

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

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

#### Financial assets and liabilities cash flows

The tables below present the undiscounted cash flows (both interest and principal cash flows) of the group's and company's financial liabilities based on contractual rights and obligations as well as expected maturity and also shows the undiscounted cash flows of the group's and company's financial assets based on expected maturity. The group and company expect that many customers will not request repayment on the earliest date the group and company could be required to pay.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (b) Liquidity risk (cont'd)

#### Financial assets and liabilities cash flows (cont'd)

	The Group 2024					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
<b>Based on contractual maturity</b>						
Bank overdraft	14,108	-	-	-	-	14,108
Due to related parties	189,316	-	-	-	-	189,316
Securities sold under repurchase agreements	26,636,167	23,206,450	35,928,544	-	-	85,771,161
Secured investment notes	2,201,198	223,506	112,335	-	-	2,537,039
Payables	5,247,416	-	-	-	-	5,247,416
Lease liabilities	5,043	15,129	60,516	207,676	-	288,364
Other debt facilities	-	1,012,033	1,212,962	4,091,893	8,324,742	14,641,630
<b>Total financial liabilities</b>	<b>34,293,248</b>	<b>24,457,118</b>	<b>37,314,357</b>	<b>4,299,569</b>	<b>8,324,742</b>	<b>108,689,034</b>
<b>Based on expected maturity -</b>						
<b>Total financial liabilities</b>	<b>29,784,264</b>	<b>24,441,989</b>	<b>36,056,996</b>	<b>4,091,893</b>	<b>8,324,742</b>	<b>102,699,884</b>
<b>Total financial assets</b>	<b>13,568,692</b>	<b>4,239,165</b>	<b>11,478,012</b>	<b>68,453,551</b>	<b>48,063,865</b>	<b>145,803,285</b>
	2023					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
<b>Based on contractual maturity</b>						
Bank overdraft	45,109	-	-	-	-	45,109
Due to related parties	199,726	-	-	-	-	199,726
Securities sold under repurchase agreements	23,215,277	21,933,059	33,046,964	-	-	78,195,300
Secured investment notes	2,352,515	1,983,968	611,022	1,102,077	-	6,049,582
Payables	1,466,664	-	-	-	-	1,466,664
Lease liabilities	6,923	13,847	53,847	234,777	39,477	348,871
Other debt facilities	4,207,598	-	-	5,093,798	-	9,301,396
<b>Total financial liabilities</b>	<b>31,493,812</b>	<b>23,930,874</b>	<b>33,711,833</b>	<b>6,430,652</b>	<b>39,477</b>	<b>95,606,648</b>
<b>Based on expected maturity -</b>						
<b>Total financial liabilities</b>	<b>25,567,791</b>	<b>23,917,027</b>	<b>33,657,987</b>	<b>1,102,077</b>	<b>39,477</b>	<b>84,284,359</b>
<b>Total financial assets</b>	<b>5,588,784</b>	<b>6,024,385</b>	<b>9,972,782</b>	<b>57,080,048</b>	<b>60,769,024</b>	<b>139,435,023</b>

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Liquidity risk (cont'd)

Financial assets and liabilities cash flows (cont'd)

	The Company					
	2024					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
<b>Based on contractual maturity</b>						
Bank overdraft	14,108	-	-	-	-	14,108
Due to related parties	220,500	-	-	-	-	220,500
Securities sold under repurchase agreements	26,640,504	23,206,450	35,928,544	-	-	85,775,498
Secured investment notes	10,273,673	2,726,342	112,335	-	-	13,112,350
Payables	5,145,933	-	-	-	-	5,145,933
Lease liabilities	5,043	15,129	60,516	207,654	-	288,342
Other debt facilities	-	1,012,033	1,212,962	4,091,893	8,324,742	14,641,630
<b>Total financial liabilities</b>	<b>42,299,761</b>	<b>26,959,954</b>	<b>37,314,357</b>	<b>4,299,547</b>	<b>8,324,742</b>	<b>119,198,361</b>
<b>Based on expected maturity -</b>						
<b>Total financial liabilities</b>	<b>37,861,077</b>	<b>26,944,825</b>	<b>36,056,996</b>	<b>4,091,893</b>	<b>8,324,742</b>	<b>113,279,533</b>
<b>Total financial assets</b>	<b>13,471,104</b>	<b>2,798,472</b>	<b>10,906,248</b>	<b>82,292,657</b>	<b>47,427,152</b>	<b>156,895,633</b>
	2023					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 years \$'000	Total \$'000
<b>Based on contractual maturity</b>						
Bank overdraft	45,109	-	-	-	-	45,109
Due to related parties	280,395	-	-	-	-	280,395
Securities sold under repurchase agreements	23,215,277	21,972,916	33,046,965	-	-	78,235,158
Secured investment notes	4,555,969	4,301,792	611,022	1,102,077	-	10,570,860
Payables	1,392,582	-	-	-	-	1,392,582
Lease liabilities	6,923	13,847	53,847	234,777	39,477	348,871
Other debt facilities	4,207,598	-	-	5,093,798	-	9,301,396
<b>Total financial liabilities</b>	<b>33,703,853</b>	<b>26,288,555</b>	<b>33,711,834</b>	<b>6,430,652</b>	<b>39,477</b>	<b>100,174,371</b>
<b>Based on expected maturity -</b>						
<b>Total financial liabilities</b>	<b>27,771,246</b>	<b>26,274,708</b>	<b>33,657,987</b>	<b>1,102,077</b>	<b>39,477</b>	<b>88,845,495</b>
<b>Total financial assets</b>	<b>5,588,736</b>	<b>5,576,094</b>	<b>8,799,566</b>	<b>62,305,875</b>	<b>59,262,554</b>	<b>141,532,825</b>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (b) Liquidity risk (cont'd)

##### Financial assets and liabilities cash flows (cont'd)

Assets available to meet all of the liabilities include cash, securities purchased under resale agreements and marketable securities. The group and company are also able to meet unexpected net cash outflows by selling securities.

The carrying amount for securities sold under repurchase agreement due within twelve months equals \$83,176,749,000 (2023 - \$76,547,630,000) for the group and \$83,181,068,000 (2023 - \$76,547,630,000) for the company.

##### (c) Market risk

The group takes on exposure to market risk, 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 risk mainly arises from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk Manager in conjunction with the Treasury manager, who carries out extensive research and monitors the price movement of financial assets on local and international markets. Generally, the group has a low to medium risk profile and invests primarily in Government of Jamaica securities. Market risk exposures are measured using sensitivity analysis.

##### (i) Currency risk

The group incurs foreign currency risk on transactions that are denominated in a currency other than Jamaican dollar.

The group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

The main currencies giving rise to this risk are the United States dollar, Canadian dollar and British pound. The group sets limits on the level of exposure by currency and in total for both overnight and intra-day positions which are monitored daily.

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Market risk (cont'd)

(i) Currency risk (cont'd)

	The Group					
	TTD	CAD	US\$	GBP	Jamaican	Total
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
	2024					
<b>Financial Assets</b>						
Cash and bank balances	4,330	119,587	1,120,963	11,241	162,256	1,418,377
Securities purchased under resale agreements	-	-	-	-	5,772,918	5,772,918
Marketable securities and pledged assets	1,686	223,486	38,726,628	49,769	69,549,395	108,550,964
Receivables	-	-	2,484,365	-	4,837,136	7,321,501
Loans receivables	-	-	3,327,640	-	10,018,044	13,345,684
Due from related parties	-	-	-	-	1,400,119	1,400,119
<b>Total financial assets</b>	<b>6,016</b>	<b>343,073</b>	<b>45,659,596</b>	<b>61,010</b>	<b>91,739,868</b>	<b>137,809,563</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	-	-	14,108	14,108
Securities sold under repurchase agreements	-	-	23,170,191	-	61,162,069	84,332,260
Secured investment notes	-	-	1,059,776	-	1,456,394	2,516,170
Payables	-	-	1,002,604	-	4,244,812	5,247,416
Due to related parties	-	-	-	-	189,216	189,216
Lease liabilities	-	-	50,966	-	214,571	265,537
Other debt facilities	-	-	8,680,572	-	5,272,985	13,953,557
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>33,964,109</b>	<b>-</b>	<b>72,554,155</b>	<b>106,518,264</b>
<b>Net financial position</b>	<b>6,016</b>	<b>343,073</b>	<b>11,695,487</b>	<b>61,010</b>	<b>19,185,713</b>	<b>31,291,299</b>



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (i) Currency risk (cont'd)

		The Group				
		CAD	US\$	GBP	Jamaican	Total
		J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
		2023				
<b>Financial Assets</b>						
Cash and bank balances	108,658	4,578	442,991	407,024	1,006,584	1,969,835
Securities purchased under resale agreements	-	-	68,638	-	495,375	564,013
Marketable securities and pledged assets	286,721	1,359	36,328,385	412,562	69,019,614	106,048,641
Receivables	-	-	848,127	-	2,018,470	2,866,597
Loans receivables	-	-	-	-	11,127,097	11,127,097
Due from related parties	-	-	-	-	753,516	753,516
<b>Total financial assets</b>	<b>395,379</b>	<b>5,937</b>	<b>37,688,141</b>	<b>819,586</b>	<b>84,420,656</b>	<b>123,329,699</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	1,956	34,161	8,992	45,109
Securities sold under repurchase agreements	-	-	22,233,936	-	54,312,694	76,546,630
Secured investment notes	-	-	944,118	1,165,744	3,830,655	5,940,517
Payables	-	-	292,021	-	1,174,643	1,466,664
Due to related parties	-	-	-	-	199,726	199,726
Lease liabilities	-	-	57,697	-	250,698	308,395
Other debt facilities	-	-	4,556,824	-	3,744,173	8,300,997
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>28,086,552</b>	<b>1,199,905</b>	<b>63,521,581</b>	<b>92,808,038</b>
<b>Net financial position</b>	<b>395,379</b>	<b>5,937</b>	<b>9,601,589</b>	<b>( 380,319)</b>	<b>20,899,075</b>	<b>30,521,661</b>

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Market risk (cont'd)

(i) Currency risk (cont'd)

	The Company					
	TTD J\$'000	CAD J\$'000	US\$ J\$'000	GBP J\$'000	Jamaican J\$'000	Total J\$'000
	2024					
<b>Financial Assets</b>						
Cash and bank balances	4,330	119,587	1,095,002	11,241	93,935	1,324,095
Securities purchased under resale agreements	-	-	-	-	5,772,918	5,772,918
Marketable securities and pledged assets	1,686	223,486	38,317,476	49,769	81,132,299	119,724,716
Receivables	-	-	2,484,265	-	4,728,010	7,212,275
Loans receivables	-	-	3,327,640	-	6,147,182	9,474,822
Due from related parties	-	-	-	-	1,406,165	1,406,165
<b>Total financial assets</b>	<u>6,016</u>	<u>343,073</u>	<u>45,224,383</u>	<u>61,010</u>	<u>99,280,509</u>	<u>144,914,991</u>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	-	-	14,108	14,108
Securities sold under repurchase agreements	-	-	23,170,191	-	61,208,248	84,378,439
Secured investment notes	-	-	1,059,776	-	11,996,442	13,056,218
Payables	-	-	995,730	-	4,150,203	5,145,933
Due to related parties	-	-	-	-	220,500	220,500
Lease liabilities	-	-	50,966	-	214,571	265,537
Other debt liabilities	-	-	8,680,574	-	5,255,625	13,936,199
<b>Total financial liabilities</b>	<u>-</u>	<u>-</u>	<u>33,957,237</u>	<u>-</u>	<u>83,059,697</u>	<u>117,016,934</u>
<b>Net financial position</b>	<u>6,016</u>	<u>343,073</u>	<u>11,267,146</u>	<u>61,010</u>	<u>16,220,812</u>	<u>27,898,057</u>

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (i) Currency risk (cont'd)

		The Company				
		CAD	US\$	GBP	Jamaican	Total
		J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
		2023				
<b>Financial Assets</b>						
Cash and bank balances	108,658	4,578	364,611	407,024	1,009,978	1,894,849
Securities purchased under resale agreements	-	-	68,638	-	495,375	564,013
Marketable securities and pledged assets	286,721	1,359	35,549,098	412,562	74,712,340	110,962,080
Receivables	-	-	847,817	-	1,957,963	2,805,780
Loans receivables	-	-	-	-	7,364,630	7,364,630
Due from related parties	-	-	-	-	949,409	949,409
<b>Total financial assets</b>	<b>395,379</b>	<b>5,937</b>	<b>36,830,164</b>	<b>819,586</b>	<b>86,489,695</b>	<b>124,540,761</b>
<b>Financial Liabilities</b>						
Bank overdraft	-	-	1,956	34,161	8,992	45,109
Securities sold under repurchase agreements	-	-	22,233,936	-	54,312,694	76,546,630
Secured investment notes	-	-	944,118	1,165,744	8,276,947	10,386,809
Payables	-	-	291,767	-	1,100,815	1,392,582
Due to related parties	-	-	-	-	280,395	280,395
Lease liabilities	-	-	57,697	-	250,698	308,395
Other debt liabilities	-	-	4,556,824	-	3,726,804	8,283,628
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>28,086,298</b>	<b>1,199,905</b>	<b>67,957,345</b>	<b>97,243,548</b>
<b>Net financial position</b>	<b>395,379</b>	<b>5,937</b>	<b>8,743,866</b>	<b>( 380,319)</b>	<b>18,532,350</b>	<b>27,297,213</b>

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (i) Currency risk (cont'd)

#### Foreign currency sensitivity

The following indicate the currencies to which the group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The changes in currency rates below represent management's assessment of reasonably possible changes in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 4% devaluation and 1% revaluation in the value of the Jamaican dollar (JMD) (2023 - 4% devaluation and 1% revaluation). The sensitivity analysis includes cash and bank balances, securities purchased under resale agreements, marketable securities and securities sold under repurchase agreements.

Currency	The Group and Company					
	% Change In Currency Rate 2024	Effect on Profit before Tax 2024 \$'000	Effect on other components of Equity 2024 \$'000	% Change in Currency Rate 2023	Effect on Profit before Tax 2023 \$'000	Effect on Other components of Equity 2023 \$'000
CAD (devaluation of JMD)	4	241	-	4	237	-
CAD (revaluation of JMD)	1	( 60)	-	1	( 59)	-
USD (devaluation of JMD)	4	467,819	70,955	4	384,064	146,052
USD (revaluation of JMD)	1	( 116,955)	(17,739)	1	( 96,016)	( 36,513)
GBP (devaluation of JMD)	4	2,440	-	4	( 15,213)	-
GBP (revaluation of JMD)	1	( 610)	-	1	3,803	-
TTD (devaluation of JMD)	4	241	-	4	15,815	-
TTD (revaluation of JMD)	1	( 60)	-	1	( 3,953)	-

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Market risk (cont'd)

##### (ii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's interest rate policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires the group to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Board sets limits on the level of mismatch of interest rate re-opening that may be unknown, which is monitored daily by the Treasury Department.

The following tables summarize the group's and company's exposure to interest rate risk. It includes financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Market risk (cont'd)

##### (ii) Interest rate risk (cont'd)

	The Group						Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate sensitive \$'000	
<b>Financial Assets</b>							
Cash and bank balances	1,418,377	-	-	-	-	-	1,418,377
Securities purchased under resale agreements	5,772,918	-	-	-	-	-	5,772,918
Marketable securities and pledged assets	13,454,108	1,279,864	8,987,521	43,489,732	22,373,597	18,966,142	108,550,964
Receivables	-	-	-	-	-	7,321,501	7,321,501
Loan receivables	251,451	2,882,134	2,145,046	7,920,084	146,969	-	13,343,684
Due from related parties	-	-	-	-	-	1,400,119	1,400,119
<b>Total financial assets</b>	<b>20,896,854</b>	<b>4,161,998</b>	<b>11,132,567</b>	<b>51,409,816</b>	<b>22,520,566</b>	<b>27,687,762</b>	<b>137,809,563</b>
<b>Financial Liabilities</b>							
Bank overdraft	14,108	-	-	-	-	-	14,108
Securities sold under repurchase agreements	26,570,100	22,949,062	34,813,098	-	-	-	84,332,260
Secured investment notes	2,185,295	221,403	109,472	-	-	-	2,516,170
Payables	-	-	-	-	-	5,247,416	5,247,416
Due to related parties	-	-	-	-	-	189,216	189,216
Lease liabilities	5,043	15,129	60,516	184,849	-	-	265,537
Other debt facilities	-	1,000,526	1,161,815	3,456,003	-	8,335,213	13,953,557
<b>Total financial liabilities</b>	<b>28,774,546</b>	<b>24,186,120</b>	<b>36,144,901</b>	<b>3,640,852</b>	<b>-</b>	<b>13,771,845</b>	<b>106,518,264</b>
<b>Total interest repricing gap</b>	<b>( 7,877,692 )</b>	<b>(20,024,122)</b>	<b>(25,012,334)</b>	<b>47,768,964</b>	<b>22,520,566</b>	<b>13,915,917</b>	<b>31,291,299</b>
<b>Cumulative gap</b>	<b>( 7,877,692 )</b>	<b>(27,901,814)</b>	<b>(52,914,148)</b>	<b>( 5,145,184 )</b>	<b>17,375,382</b>	<b>31,291,299</b>	

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (ii) Interest rate risk (cont'd)

	The Group						
	2023						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate sensitive \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and bank balances	1,969,835	-	-	-	-	-	1,969,835
Securities purchased under resale agreements	512,600	51,413	-	-	-	-	564,013
Marketable securities and pledged assets	5,568,358	4,007,727	7,027,155	42,057,084	27,067,768	20,320,549	106,048,641
Receivables	-	-	-	-	-	2,866,597	2,866,597
Loan receivables	-	1,954,601	2,509,981	6,662,515	-	-	11,127,097
Due from related parties	-	-	-	-	-	753,516	753,516
<b>Total financial assets</b>	<b>8,050,793</b>	<b>6,013,741</b>	<b>9,537,136</b>	<b>48,719,599</b>	<b>27,067,768</b>	<b>23,940,662</b>	<b>123,329,699</b>
<b>Financial Liabilities</b>							
Bank overdraft	45,109	-	-	-	-	-	45,109
Securities sold under repurchase agreements	23,153,768	21,691,133	31,701,729	-	-	-	76,546,630
Secured investment notes	2,341,317	1,969,082	580,327	1,049,791	-	-	5,940,517
Payables	-	-	-	-	-	1,466,664	1,466,664
Due to related parties	-	-	-	-	-	199,726	199,726
Lease liabilities	4,868	9,827	42,076	204,748	46,876	-	308,395
Other debt facilities	4,207,398	-	-	4,093,399	-	-	8,300,997
<b>Total financial liabilities</b>	<b>29,752,660</b>	<b>23,670,042</b>	<b>32,324,132</b>	<b>5,347,938</b>	<b>46,876</b>	<b>1,666,390</b>	<b>92,808,038</b>
<b>Total interest repricing gap</b>	<b>(21,701,867)</b>	<b>(17,656,301)</b>	<b>(22,786,996)</b>	<b>43,371,661</b>	<b>27,020,892</b>	<b>22,274,272</b>	<b>30,521,661</b>
<b>Cumulative gap</b>	<b>(21,701,867)</b>	<b>(39,358,168)</b>	<b>(62,145,164)</b>	<b>(18,773,503)</b>	<b>8,247,389</b>	<b>30,521,661</b>	

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (iii) Interest rate risk (cont'd)

	The Company						
	2024						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate sensitive \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and bank balances	1,324,095	-	-	-	-	-	1,324,095
Securities purchased under resale agreements	5,772,918	-	-	-	-	-	5,772,918
Marketable securities and pledged assets	7,523,501	1,110,803	8,961,761	57,171,906	22,108,235	22,848,510	119,724,716
Receivables	-	-	-	-	-	7,212,275	7,212,275
Loan receivables	239,031	1,646,344	1,607,553	5,948,231	33,663	-	9,474,822
Due from related parties	-	-	-	-	-	1,406,165	1,406,165
<b>Total financial assets</b>	<b>14,859,545</b>	<b>2,757,147</b>	<b>10,569,314</b>	<b>63,120,137</b>	<b>22,141,898</b>	<b>31,466,950</b>	<b>144,914,991</b>
<b>Financial Liabilities</b>							
Bank overdraft	14,108	-	-	-	-	-	14,108
Securities sold under Repurchase agreements	26,574,419	22,949,062	34,854,958	-	-	-	84,378,439
Secured investment notes	10,245,272	2,701,406	109,540	-	-	-	13,056,218
Payables	-	-	-	-	-	5,145,933	5,145,933
Due to related parties	-	-	-	-	-	220,500	220,500
Lease liabilities	5,043	15,129	60,516	184,849	-	-	265,537
Other debt facilities	-	1,009,526	1,161,815	3,456,003	-	8,308,855	13,936,199
<b>Total financial liabilities</b>	<b>36,838,842</b>	<b>26,675,123</b>	<b>36,186,829</b>	<b>3,640,852</b>	<b>-</b>	<b>13,675,288</b>	<b>117,016,934</b>
<b>Total interest repricing gap</b>	<b>(21,979,297)</b>	<b>(23,917,976)</b>	<b>(25,617,515)</b>	<b>59,479,285</b>	<b>22,141,898</b>	<b>17,791,662</b>	<b>27,898,057</b>
<b>Cumulative gap</b>	<b>(21,979,297)</b>	<b>(45,897,273)</b>	<b>(71,514,788)</b>	<b>(12,035,503)</b>	<b>10,106,395</b>	<b>27,898,057</b>	



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (ii) Interest rate risk (cont'd)

	The Company						
	2023						
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non-rate sensitive \$'000	Total \$'000
<b>Financial Assets</b>							
Cash and bank balances	1,894,849	-	-	-	-	-	1,894,849
Securities purchased under resale agreements	512,600	51,413	-	-	-	-	564,013
Marketable securities and pledged assets	5,055,758	3,796,744	6,697,371	48,124,857	27,076,758	20,210,592	110,962,080
Receivables	-	-	-	-	-	2,805,780	2,805,780
Loan receivables	-	1,670,737	1,730,167	3,963,726	-	-	7,364,630
Due from related parties	-	-	-	-	-	949,409	949,409
<b>Total financial assets</b>	<b>7,463,207</b>	<b>5,518,894</b>	<b>8,427,538</b>	<b>52,088,583</b>	<b>27,076,758</b>	<b>23,965,781</b>	<b>124,540,761</b>
<b>Financial Liabilities</b>							
Bank overdraft	45,109	-	-	-	-	-	45,109
Securities sold under Repurchase agreements	23,153,768	21,730,569	31,662,293	-	-	-	76,546,630
Secured investment notes	4,535,125	4,264,403	580,327	1,006,954	-	-	10,386,809
Payables	-	-	-	-	-	1,392,582	1,392,582
Due to related parties	-	-	-	-	-	280,395	280,395
Lease liabilities	4,868	9,827	42,076	204,748	46,876	-	308,395
Other debt facilities	4,207,598	-	-	4,076,030	-	-	8,283,628
<b>Total financial liabilities</b>	<b>31,946,468</b>	<b>26,004,799</b>	<b>32,284,696</b>	<b>5,287,732</b>	<b>46,876</b>	<b>1,672,977</b>	<b>97,243,548</b>
<b>Total interest repricing gap</b>	<b>(24,483,261)</b>	<b>(20,485,905)</b>	<b>(23,857,158)</b>	<b>46,800,851</b>	<b>27,029,882</b>	<b>22,292,804</b>	<b>27,297,213</b>
<b>Cumulative gap</b>	<b>(24,483,261)</b>	<b>(44,969,166)</b>	<b>(68,826,324)</b>	<b>(22,025,473)</b>	<b>5,004,409</b>	<b>27,297,213</b>	

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Market risk (cont'd)

#### (ii) Interest rate risk (cont'd)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company 2024					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
<b>Marketable securities</b>						
-denominated in JAS	8.19	8.03	8.21	9.78	9.38	8.89
-denominated in US\$	3.35	6.57	1.20	11.60	6.93	5.82
-denominated in GBP	-	-	-	3.05	-	3.05
<b>Securities purchased under resale agreements</b>						
-denominated in JAS	6.86	7.74	-	-	-	7.30
-denominated in US\$	4.31	5.50	-	-	-	4.91
<b>Securities sold under repurchase agreements</b>						
-denominated in JAS	7.50	8.15	8.20	-	-	8.00
-denominated in US\$	4.23	4.34	4.61	-	-	4.45
<b>Loan note</b>						
-denominated in US\$	4.09	4.25	-	-	-	4.17
-denominated in JAS	7.89	7.62	8.45	-	-	8.15

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Market risk (cont'd)

##### (ii) Interest rate risk (cont'd)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2023					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
<b>Marketable securities</b>						
-denominated in JAS	7.56	10.65	7.30	9.28	8.28	8.76
-denominated in US\$	4.20	1.73	12.07	8.45	6.29	7.52
-denominated in GBP	-	-	-	3.05	-	3.05
<b>Securities purchased under resale agreements</b>						
-denominated in JAS	8.32	9.15	-	-	-	8.73
-denominated in US\$	5.55	-	-	-	-	5.55
<b>Securities sold under repurchase agreements</b>						
-denominated in JAS	8.09	8.42	9.03	-	-	8.64
-denominated in US\$	4.58	5.45	5.78	-	-	5.41
-denominated in GBP	-	-	-	-	-	-
<b>Loan note</b>						
-denominated in US\$	4.72	4.74	5.25	-	-	4.36
-denominated in JAS	8.31	8.61	9.33	9.40	-	9.05
-denominated in GBP	-	3.80	-	-	-	3.80

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant on the group's and company's profit or loss and shareholders' equity.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on profit before taxation based on the floating rate non-trading financial assets and financial liabilities. The sensitivity of shareholders' equity is calculated by revaluing fixed rate FVOCI and FVPL financial assets for the effects of the assumed changes in interest rates. The change in the interest rates will impact the financial assets and liabilities differently. Consequently, individual analyses were performed. The effect on profit before taxation and other components of equity below is the total of the individual sensitivities done for each of the assets and liabilities.

	Effect on Profit before Taxation 2024 \$'000	Effect on Other Components of Equity 2024 \$'000	Effect on Profit before Taxation 2023 \$'000	Effect on Other Components of Equity 2023 \$'000
	<b>The Group</b>			
Change in basis points				
+50/+25 (2023: +200/-50)	4,930	(63,181)	9,875	(24,502)
-50/-25 (2023: -200/-50)	(19,719)	29,283	(4,937)	12,251
	<b>The Company</b>			
Change in basis points				
+50/+25 (2023: +200/+50)	4,930	659	9,875	4,472
-50/-25 (2023: -200/-50)	(19,719)	(2,637)	(4,937)	(2,236)

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Market risk (cont'd)

##### (iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instruments or their issuers or factors affecting all instruments traded in the market. The group and the company are exposed to equity securities price risk because of certain equity and unit investments which they hold.

The table below summarizes the impact of increases/decreases on the group's and company's net other comprehensive income (before taxation) resulting from a reasonably possible change in market prices. The analysis is based on the assumption that the equity and unit trust prices had increased by 8% (2023 - +6%) and decreased by 2% (2023 - 3%).

	Effect on Other Comprehensive Income before Taxation 2024 \$'000	Effect on Other Comprehensive Income before Taxation 2023 \$'000
	<u>The Group</u>	
Changes in index		
+8% (2023: +6%)	1,839,135	1,178,560
-2% (2023: -3%)	( 459,784)	( 589,280)
	<u>The Company</u>	
Changes in index		
+8% (2023: +6%)	1,687,899	1,139,261
-2% (2023: -3%)	( 421,975)	( 569,931)

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

##### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

###### (d) Capital management

The group's objectives when managing capital, which is a broader concept than the equity on the face of the statements of financial position, are:

- (i) To comply with the capital requirements set by the regulators of the markets where the group provides returns for shareholders and benefits for other stakeholders.
- (ii) To safeguard the group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- (iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the group's management employing techniques based on the guidelines developed by the FSC. The required information is filed with the FSC on a monthly basis.

The company and its subsidiary, BUTM are both regulated by the FSC.

The FSC requires each regulated entity to:

- (i) Hold the minimum level of tier 1 capital as a percentage of total capital base.
- (ii) Maintain a ratio of total regulatory capital to the risk-weighted assets.

The group's regulatory capital is managed by its Treasury Department and Risk Manager and is divided into two tiers:

- (i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill, if any, is deducted in arriving at Tier 1 capital; and
- (ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

Risk-weighted assets are measured by means of a hierarchy of five weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

As at the reporting date, the group was in compliance with all of the externally imposed capital requirements to which it is subject.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (e) Fair values of financial instruments

The following table presents the group's and company's financial assets that are measured at fair value. There are no liabilities that are measured at fair value at the year end and there were no transfers between levels during the year.

	The Group			
	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment securities fair value through profit or loss				
Equity securities	7,959,606	13,508,220	-	21,467,826
Investment securities fair value through other comprehensive income				
Debt securities	-	78,752,417	-	78,752,417
Equity securities	1,521,362	-	1,395,824	2,917,186
	9,480,968	92,260,637	1,395,824	103,137,429
	2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment securities fair value through profit or loss				
Equity securities	5,731,106	10,409,896	619,088	16,760,090
Other funds and derivatives	-	-	953,688	953,688
Investment securities fair value through other comprehensive income				
Debt securities	-	78,003,760	-	78,003,760
Equity securities	1,928,886	-	1,203,524	3,132,410
	7,659,992	88,413,656	2,776,300	98,849,948

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (e) Fair values of financial instruments (cont'd)

	The Company			
	2024			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment securities fair value through profit or loss				
Equity securities	7,959,296	11,618,080	-	19,577,376
Investment securities fair value through other comprehensive income				
Debt securities	-	91,816,620	-	91,816,620
Equity securities	1,521,362	-	1,395,824	2,917,186
	<u>9,480,658</u>	<u>103,434,700</u>	<u>1,395,824</u>	<u>114,311,182</u>
	The Company			
	2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment securities fair value through profit or loss				
Equity securities	5,731,106	9,764,916	619,088	16,115,110
Other funds and derivatives	-	-	953,688	953,688
Investment securities fair value through other comprehensive income				
Debt securities	-	83,562,179	-	83,562,179
Equity securities	1,928,886	-	1,203,524	3,132,410
	<u>7,659,992</u>	<u>93,327,095</u>	<u>2,776,300</u>	<u>103,763,387</u>

The fair value of financial instruments that are traded in an active market for which there are no quoted market prices, is determined by using valuation techniques. When using valuation techniques, the group uses a variety of methods and makes assumptions that are based on market conditions existing at year end. The following methods and assumptions have been used.

- (i) Investments securities classified as fair value through profit or loss and fair value through other comprehensive income are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values are estimated on the basis of pricing models or other recognized valuation techniques.



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (e) Fair values of financial instruments (cont'd)

- (ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. The assumption is applied to liquid assets and the short term elements of all other financial instruments.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value.
- (iv) The fair value of securities sold under agreements to repurchase is approximately their carrying amounts, due to short term maturity on these instruments.
- (v) Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

#### 6. SEGMENT REPORTING:

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The group is organized and managed in business segments based on its business activities which are all located in Jamaica. The designated segments are as follows:

- (a) Fixed income - this includes money market activities and securities broking
- (b) Funds management - this includes the administration of a number of managed funds
- (c) Other operations - this includes the operation of foreign exchange cambio, investment banking, stock broking and any other income.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax. The segment information provided to the Board of Directors for the reportable segments for the year is as follows:

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

6. SEGMENT REPORTING (CONT'D):

	The Group			
	2024			
	Fixed Income \$'000	Funds Management \$'000	Other \$'000	Group \$'000
Total segment revenue	( 9,730,427)	( 3,799,016)	( 5,948,630)	( 19,478,073)
Inter-segment revenue	<u>2,133,504</u>	<u>294,148</u>	<u>148,852</u>	<u>2,576,504</u>
Total gross external revenue	( 7,596,923)	( 3,504,868)	( 5,799,778)	( 16,901,569)
Total expenses	7,142,863	-	1,953,183	9,096,046
Inter-segment expense	( 2,133,504)	-	-	( 2,133,504)
	<u>5,009,359</u>	<u>-</u>	<u>1,953,183</u>	<u>6,962,542</u>
Segment results	( 2,587,564)	( 3,504,868)	( 3,846,595)	( 9,939,027)
Unallocated expenses				<u>4,901,040</u>
Profit before tax				( 5,037,987)
Taxation				<u>1,222,338</u>
Net profit				( 3,815,649)
Segment assets	113,314,987	13,872,815	29,005,557	156,193,359
Inter-segment assets	<u>-</u>	<u>(13,483,000)</u>	<u>(12,734,992)</u>	<u>( 26,217,992)</u>
Net-segment assets	<u>113,314,987</u>	<u>389,815</u>	<u>16,270,565</u>	<u>129,975,367</u>
Unallocated assets				<u>12,339,682</u>
Total assets				<u>142,315,049</u>
Segment liabilities	84,332,260	15,289,232	-	99,621,492
Inter-segment liabilities	<u>-</u>	<u>(15,289,232)</u>	<u>-</u>	<u>( 15,289,232)</u>
Net segment liabilities	<u>84,332,260</u>	<u>-</u>	<u>-</u>	<u>84,332,260</u>
Unallocated liabilities				<u>22,680,389</u>
Total liabilities				<u>107,012,649</u>
Other segment items				
Depreciation (Note 21)	143,375	146	-	143,521
Amortisation (Note 22)	<u>6,415</u>	<u>-</u>	<u>-</u>	<u>6,415</u>

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 6. SEGMENT REPORTING (CONT'D):

	The Group			
	2023			
	Fixed Income \$'000	Funds Management \$'000	Other \$'000	Group \$'000
Total segment revenue	6,556,384	3,347,368	5,573,452	15,477,204
Inter-segment revenue	( 397,739)	( 86,600)	( 108,406)	( 592,745)
Total gross external revenue	<u>6,158,645</u>	<u>3,260,768</u>	<u>5,465,046</u>	<u>14,884,459</u>
Total expenses	( 5,439,487)	-	( 529,660)	( 5,969,147)
Inter-segment expense	<u>397,739</u>	<u>-</u>	<u>195,006</u>	<u>592,745</u>
	<u>( 5,041,748)</u>	<u>-</u>	<u>( 334,654)</u>	<u>( 5,376,402)</u>
Segment results	<u>1,112,488</u>	<u>3,260,768</u>	<u>5,130,392</u>	<u>9,508,057</u>
Unallocated expenses				( 4,928,505)
Profit before tax				4,579,552
Taxation				( 1,164,552)
Net profit				<u>3,415,000</u>
Segment assets	100,930,018	6,128,656	25,004,342	132,063,016
Inter-segment assets	<u>-</u>	<u>(4,885,504)</u>	<u>( 7,156,038)</u>	<u>( 12,041,542)</u>
Net-segment assets	<u>100,930,018</u>	<u>1,243,152</u>	<u>17,848,304</u>	<u>120,021,474</u>
Unallocated assets				<u>8,173,167</u>
Total assets				<u>128,194,641</u>
Segment liabilities	76,546,630	7,808,267	-	84,354,897
Inter-segment liabilities	<u>-</u>	<u>(7,808,267)</u>	<u>-</u>	<u>( 7,808,267)</u>
Net segment liabilities	<u>76,546,630</u>	<u>-</u>	<u>-</u>	<u>76,546,630</u>
Unallocated liabilities				<u>16,261,408</u>
Total liabilities				<u>92,808,038</u>
Other segment items				
Depreciation (Note 21)	115,189	162	-	115,351
Amortisation (Note 22)	<u>11,205</u>	<u>-</u>	<u>-</u>	<u>11,205</u>

Revenue between segments is recorded on the basis outlined in Note 3 (d). The accounting policies used to record income, assets and liabilities are consistent for all segments. There was no change in the method used to determine reportable segments when compared to the previous year.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 6. SEGMENT REPORTING (CONT'D):

Profit from the reportable segments is reconciled to the group's profit before taxation as follows:

	The Group	
	2024	2023
	\$'000	\$'000
Profit from reportable segments	9,939,027	9,508,057
Unallocated costs -		
Operating expenses	(4,901,040)	(4,928,505)
	<u>5,037,987</u>	<u>4,579,552</u>

Reportable segments assets are reconciled to the groups' total assets as follows:

	The Group	
	2024	2023
	\$'000	\$'000
Segment assets from reportable segments	129,975,367	120,021,474
Unallocated assets -		
Cash and bank balances	1,418,377	1,969,835
Receivables	7,321,501	2,866,597
Due from related parties	1,400,119	753,516
Property, plant and equipment	836,782	943,136
Intangible assets	402,093	21,501
Investments	55,000	55,000
Investment property	235,857	225,000
Right-of-use assets	216,918	252,274
Taxation recoverable	453,035	398,511
Deferred tax assets	-	687,797
	<u>142,315,049</u>	<u>128,194,641</u>

Reportable segments liabilities are reconciled to the group's total liabilities as follows:

	The Group	
	2024	2023
	\$'000	\$'000
Segment assets from reportable segments	84,332,260	76,546,630
Unallocated liabilities -		
Secured investment notes	2,516,170	5,940,517
Bank overdraft	14,108	45,109
Payables	5,247,416	1,466,664
Other debt facilities	13,953,557	8,300,997
Lease liabilities	265,537	308,395
Deferred tax liabilities	494,285	-
Due to related parties	189,316	199,726
	<u>107,012,649</u>	<u>92,808,038</u>

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 7. NET INTEREST INCOME:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest income, calculated using the effective interest				
At amortised cost				
Cash and cash equivalents	7,781	4,827	7,191	4,313
Loans and advances	1,294,222	753,724	833,180	569,404
Securities purchased through resale agreements	<u>459,022</u>	<u>447,521</u>	<u>459,022</u>	<u>447,521</u>
	<u>1,761,025</u>	<u>1,206,072</u>	<u>1,299,393</u>	<u>1,021,238</u>
At fair value through other comprehensive income:				
Investment securities	<u>5,847,735</u>	<u>4,952,573</u>	<u>7,137,153</u>	<u>5,180,604</u>
	<u>7,608,760</u>	<u>6,158,645</u>	<u>8,436,546</u>	<u>6,201,842</u>
Interest expense:				
At amortised cost:				
Secured investment notes	175,122	346,023	175,122	346,023
Securities sold through repurchased agreements	<u>6,201,226</u>	<u>4,981,507</u>	<u>6,967,742</u>	<u>5,093,464</u>
Other debt facilities	<u>586,195</u>	<u>249,924</u>	<u>584,320</u>	<u>249,555</u>
	<u>6,962,543</u>	<u>5,577,454</u>	<u>7,727,184</u>	<u>5,689,042</u>
Net interest income	<u>646,217</u>	<u>581,191</u>	<u>709,362</u>	<u>512,800</u>

#### 8. FAIR VALUE GAINS ON INVESTMENTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Realized fair value gains	1,421,584	359,265	1,421,584	357,381
Unrealized fair value gains	<u>3,450,000</u>	<u>3,997,461</u>	<u>3,365,524</u>	<u>3,908,276</u>
	<u>4,871,584</u>	<u>4,356,726</u>	<u>4,787,108</u>	<u>4,265,657</u>

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

9. STAFF COSTS:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Wages and salaries	1,211,975	1,101,463	1,155,870	1,042,561
Commissions	111,687	70,045	111,687	70,045
Statutory contributions	137,241	155,120	129,775	148,294
Pension costs	72,989	79,543	67,846	75,217
Other staff benefits	118,827	168,964	115,899	148,912
Stock option (Note 36(c))	8,040	160,634	5,280	81,419
	<u>1,660,759</u>	<u>1,735,769</u>	<u>1,586,357</u>	<u>1,566,448</u>

10. EXPENSES BY NATURE:

Total direct and administration expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Advertising and promotion	163,738	174,962	161,670	166,340
Assets tax	256,753	185,480	240,825	184,320
Auditor's remuneration	17,380	19,257	12,660	13,436
Impairment of financial assets	640,954	( 3,591)	605,789	7,852
Bank charges and interest	20,756	20,140	18,583	17,767
Depreciation and amortisation (Notes 21 and 22)	149,936	126,556	149,790	126,394
Directors' fees (Notes 20(c))	19,959	20,040	19,959	20,040
Donations	40,200	46,332	40,200	46,332
Insurance	57,832	41,094	57,832	41,094
Office expenses	12,043	41,629	10,081	39,804
Professional fees	194,898	402,838	189,573	400,148
Registration and license fees	35,961	80,524	29,213	74,797
Management fees	930,000	930,000	930,000	930,000
Repairs and maintenance	22,927	13,166	22,927	13,166
Software maintenance	209,975	306,016	209,975	306,016
Staff costs (Note 9)	1,660,759	1,735,769	1,586,357	1,566,448
Other expenses	198,848	114,367	182,240	108,804
Premises cost	91,656	109,950	91,656	106,485
Other property expenses	88,493	76,583	88,493	76,583
GCT expense	115,600	107,025	113,056	105,905
Telephone & internet charges	55,397	61,487	55,388	61,240
	<u>4,984,065</u>	<u>4,609,624</u>	<u>4,816,267</u>	<u>4,412,971</u>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 11. TAXATION EXPENSE:

- (a) Income tax is computed on the profit for the year, as adjusted for taxation purposes, and comprises income tax at 33 1/3%:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current year tax charge	113,037	172,746	-	-
Prior year under provision	-	106,409	-	106,409
Deferred income tax (Note 32)	<u>1,109,301</u>	<u>885,397</u>	<u>1,045,720</u>	<u>873,239</u>
Tax charge	<u>1,222,338</u>	<u>1,164,552</u>	<u>1,045,720</u>	<u>979,648</u>

- (b) Reconciliation of applicable tax expense to effective tax charge.

The group's and company's taxation expense differ from the theoretical amount that would arise from the profit before tax using the applicable tax rate of the group and the company as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Profit before taxation	<u>5,037,987</u>	<u>4,579,552</u>	<u>4,644,323</u>	<u>4,174,372</u>
Tax calculated at 33 1/3 %	1,679,329	1,526,517	1,548,108	1,391,457
Adjusted for the effects of:				
Income not subject to tax	(1,675,639)	( 442,446)	(1,505,860)	( 433,387)
Expenses not allowable for tax purpose	1,999,623	1,258,072	1,716,878	1,243,729
Other charges and allowances	<u>( 780,975)</u>	<u>(1,177,591)</u>	<u>( 713,406)</u>	<u>(1,222,151)</u>
Tax charge	<u>1,222,338</u>	<u>1,164,552</u>	<u>1,045,720</u>	<u>979,648</u>

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

11. TAXATION EXPENSE (CONT'D):

(c) The gains/(losses) recorded in other comprehensive income and related tax (charges)/credits are as follows:

	The Group					
	2024			2023		
	\$'000			\$'000		
	Before tax	Taxation	After tax	Before tax	Taxation	After tax
Revaluation gains on property, plant and equipment net of taxes	-	-	-	41,000	( 13,667)	27,333
Unrealised losses on securities at FVOCI	(3,453,542)	1,151,181	(2,302,361)	(5,338,917)	1,779,639	(3,559,278)
ECL adjustment on securities at FVOCI	404,346	( 40,122)	364,224	76,630	( 25,543)	51,087
Unrealised gains on securities at FVOCI	<u>3,776,433</u>	<u>(1,258,811)</u>	<u>2,517,622</u>	<u>4,561,718</u>	<u>(1,520,573)</u>	<u>3,041,145</u>
	<u>727,237</u>	<u>( 147,752)</u>	<u>579,485</u>	<u>( 659,569)</u>	<u>219,856</u>	<u>( 439,713)</u>



**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

11. TAXATION EXPENSE (CONT'D):

(c) The gains/(losses) recorded in other comprehensive income and related tax (charges)/credits are as follows (cont'd):

	The Company					
	2024 \$'000			2023 \$'000		
	<u>Before tax</u>	<u>Taxation</u>	<u>After tax</u>	<u>Before tax</u>	<u>Taxation</u>	<u>After tax</u>
Revaluation gains on property, plant and equipment net of taxes	-	-	-	41,000	( 13,667)	27,333
Unrealised losses on securities at FVOCI	(3,453,542)	1,151,181	(2,302,361)	(5,234,108)	1,744,703	(3,489,405)
ECL Adjustment on securities FVOCI	492,084	( 38,876)	453,208	71,890	( 23,963)	47,927
Unrealised gains on securities at FVOCI	<u>3,769,392</u>	<u>(1,256,464)</u>	<u>2,512,928</u>	<u>4,561,718</u>	<u>(1,520,573)</u>	<u>3,041,145</u>
	<u>807,934</u>	<u>( 144,159)</u>	<u>663,775</u>	<u>( 559,500)</u>	<u>186,500</u>	<u>( 373,000)</u>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 12. NET PROFIT:

The net profit of the group is reflected in the accounts of the company and its subsidiary as follows:

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Holding company	3,598,603	3,194,724
Subsidiary	<u>217,046</u>	<u>220,276</u>
	<u>3,815,649</u>	<u>3,415,000</u>

#### 13. CASH AND CASH EQUIVALENTS:

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Cash in hand	865	175	865	175
Cash at bank	<u>1,417,512</u>	<u>1,969,660</u>	<u>1,323,230</u>	<u>1,894,674</u>
	1,418,377	1,969,835	1,324,095	1,894,849
Bank overdraft	( 14,108)	( 45,109)	( 14,108)	( 45,109)
	<u>1,404,269</u>	<u>1,924,726</u>	<u>1,309,987</u>	<u>1,849,740</u>

Cash at bank comprises mainly amounts held in current accounts, which attract interest at 0.25% - 1%.

The group's overdraft facilities of \$30,000,000 (2023 - \$30,000,000) with First Caribbean International Bank Limited are secured by Government of Jamaica Investment Notes with a face value of \$37,000,000 (2023 - \$37,000,000). The weighted average effective interest rate on the overdraft facilities is 17.85% (2023 - 17.85%).

#### 14. SECURITIES PURCHASED UNDER RESALE AGREEMENTS:

The group and company have entered into repurchase agreements collateralised by Government of Jamaica (GOJ) securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. Most of these agreements will mature within twelve months. Included in securities purchased under resale agreements is accrued interest for the group and company of \$9,375,000 (2023 - \$9,401,000).

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

15. INVESTMENT SECURITIES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Fair value through profit or loss -				
Quoted equities	7,971,842	6,362,565	7,971,532	6,362,565
Unit Trust and other funds	13,495,984	10,397,525	11,605,844	9,752,545
Other derivatives	-	953,688	-	953,688
	<u>21,467,826</u>	<u>17,713,778</u>	<u>19,577,376</u>	<u>17,068,798</u>
Fair value through other comprehensive income -				
Government of Jamaica (GOJ) bonds	34,570,497	33,533,208	34,570,497	33,533,208
Foreign Government Bonds	7,577,594	5,635,551	7,577,594	5,635,551
Corporate and other bonds	34,097,429	37,468,676	46,644,327	42,880,829
Quoted equities	1,521,362	1,928,886	1,521,362	1,928,886
Preference shares	1,395,824	1,203,524	1,395,824	1,203,524
	<u>79,162,706</u>	<u>79,769,845</u>	<u>91,709,604</u>	<u>85,181,998</u>
	100,630,532	97,483,623	111,286,980	102,250,796
Accrued interest	<u>2,506,897</u>	<u>1,366,325</u>	<u>3,024,210</u>	<u>1,512,591</u>
	<u>103,137,429</u>	<u>98,849,948</u>	<u>114,311,190</u>	<u>103,763,387</u>
Amortised cost				
Securities purchased under resale agreements	5,403,976	7,189,318	5,403,975	7,189,318
Other investment securities	<u>9,559</u>	<u>9,375</u>	<u>9,559</u>	<u>9,375</u>
	<u>5,413,535</u>	<u>7,198,693</u>	<u>5,413,535</u>	<u>7,198,693</u>
	108,550,964	106,048,641	119,724,725	110,962,080
Less: Pledged assets (Note 16)	<u>( 89,568,260)</u>	<u>( 83,717,008)</u>	<u>( 89,568,260)</u>	<u>( 83,717,008)</u>
	<u>18,982,704</u>	<u>22,331,633</u>	<u>30,156,465</u>	<u>27,245,072</u>

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 16. PLEDGED ASSETS:

Assets of the group are pledged as collateral under repurchase agreement with customers and financial institutions. The group also has investment securities that are pledged as security in relation to overdraft and other facilities with the BOJ and other financial institutions.

	The Group and Company			
	Asset		Related Liability	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment securities (Note 15)				
Pledged with customers	72,587,611	66,445,457	64,995,265	59,295,846
Pledged with BOJ and other financial institutions	<u>16,980,649</u>	<u>17,271,551</u>	<u>15,604,401</u>	<u>16,086,818</u>
	<u>89,568,260</u>	<u>83,717,008</u>	<u>80,599,666</u>	<u>75,382,664</u>

#### 17. RECEIVABLES:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Receivable from clients	5,752,927	1,709,812	5,752,927	1,709,812
Impairment provision	<u>( 88,470)</u>	<u>-</u>	<u>( 88,470)</u>	<u>-</u>
	5,664,457	1,709,812	5,664,457	1,709,812
Prepaid expenses	115,719	113,425	112,271	110,821
Withholding tax	1,496,097	989,409	1,400,666	934,389
Other	<u>45,228</u>	<u>53,951</u>	<u>34,881</u>	<u>50,758</u>
	<u>7,321,501</u>	<u>2,866,597</u>	<u>7,212,275</u>	<u>2,805,780</u>

Receivables collectible within twelve months amounted to \$5,858,512,000 (2023 - \$1,859,417,000) for the group and \$5,847,235,000 (2023 - \$1,853,620,000) for the company.

#### 18. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 33).

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 18. EARNINGS PER SHARE (CONT'D):

	<u>2024</u>	<u>2023</u>
Net profit attributable to ordinary shareholders (\$'000)	3,815,649	3,415,000
Weighted average number of ordinary shares in issue	1,203,164	1,198,064
Basic earnings per share (\$ per share)	<u>3.17</u>	<u>2.85</u>

#### 19. LOANS RECEIVABLE:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Loans receivable	12,546,731	11,178,475	8,967,730	7,416,780
Interest receivable	<u>1,028,199</u>	<u>180,220</u>	<u>715,258</u>	<u>130,781</u>
	13,574,930	11,358,695	9,682,988	7,547,561
Expected credit losses	( 229,246)	( 231,598)	( 208,166)	( 182,931)
	<u>13,345,684</u>	<u>11,127,097</u>	<u>9,474,822</u>	<u>7,364,630</u>

Loans receivable comprise of secured and unsecured loans. Loans are secured against clients investment portfolio and property.

#### 20. RELATED PARTY TRANSACTIONS AND BALANCES:

Related parties are identified below, as companies with which there are common directors and/or common shareholders, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including directors and officers and close members of the families of these individuals.

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(a) The following transactions were carried out with related parties during the year:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Interest income on loans & investments				
Ultimate parent company	528,317	527,947	582,317	527,947
Other related entities	142,253	181,684	142,253	165,834
Directors and key management personnel	4,897	4,148	4,897	4,148
Subsidiaries	-	-	1,367,917	286,205
	<u>675,467</u>	<u>713,779</u>	<u>2,097,384</u>	<u>984,134</u>
Other income				
Ultimate parent company	317,930	8,625	317,930	8,625
Subsidiaries	-	-	392,436	306,406
Other related entities	<u>66,148</u>	<u>31,094</u>	<u>66,148</u>	<u>31,094</u>
	<u>384,078</u>	<u>39,719</u>	<u>776,514</u>	<u>346,125</u>
Interest expense on repurchase agreements/loans				
Ultimate parent company	337,091	466,610	337,091	466,610
Subsidiaries	-	-	770,308	137,168
Other related entities	576,756	274,127	576,756	274,127
Directors and key management personnel	<u>7,141</u>	<u>8,600</u>	<u>7,141</u>	<u>8,600</u>
	<u>920,988</u>	<u>749,337</u>	<u>1,691,296</u>	<u>886,505</u>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(b) The balances at year end were as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Asset Balances</b>				
Loans - (included in loans receivable)				
Directors/Key Management Personal	54,753	45,599	54,753	45,599
Other related entity	-	448,362	-	103,412
	<u>54,753</u>	<u>493,961</u>	<u>54,753</u>	<u>149,011</u>
Investments - (included in investment securities)				
Ultimate parent company	7,267,541	7,220,287	7,267,541	7,220,287
Other related entities	14,840,649	10,916,437	13,986,872	10,668,366
Subsidiaries	-	-	14,001,362	6,166,807
	<u>22,108,190</u>	<u>18,136,724</u>	<u>35,255,775</u>	<u>24,055,460</u>
Due from related parties -				
Ultimate parent company	630,480	241,994	630,480	241,994
Subsidiaries	-	-	110,005	299,687
Directors/Key Management Personnel	-	-	79	-
Other related entities	769,639	511,522	665,601	407,728
	<u>1,400,119</u>	<u>753,516</u>	<u>1,406,165</u>	<u>949,409</u>
<b>Liability Balances</b>				
Repurchase agreements -				
(included in securities sold under repurchase agreements)				
Ultimate parent company	1,730,659	-	1,730,659	-
Subsidiaries	-	-	46,193	39,436
Directors/Key Management Personnel	134,722	136,775	134,722	136,775
Other related entities	5,772,135	3,292,310	5,772,135	3,292,310
	<u>7,637,516</u>	<u>3,429,085</u>	<u>7,683,709</u>	<u>3,468,521</u>
Secured investment notes (included in secured investment note)				
Ultimate parent company	247,152	3,907,332	247,152	3,907,332
Subsidiaries	-	-	10,499,882	4,489,129
Other related entities	3,060,508	1,804,144	3,060,508	1,804,144
	<u>3,307,660</u>	<u>5,711,476</u>	<u>13,807,542</u>	<u>10,200,605</u>
Due to related parties -				
Subsidiaries	-	-	30,026	105,843
Other related entities	34,378	82,057	40,991	56,882
Ultimate parent company	154,938	117,669	149,483	117,670
	<u>189,316</u>	<u>199,726</u>	<u>220,500</u>	<u>280,395</u>

All amounts recorded in receivables, payables and securities sold under repurchase agreements are due within twelve months.

**BARITA INVESTMENTS LIMITED**  
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20. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D):

(c) Key management compensation

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Salaries	321,734	339,406	321,734	339,406
Statutory deductions	29,692	32,418	29,692	32,418
Pension	20,056	20,890	20,056	20,890
Commission	8,616	1,439	8,616	1,439
Shared based compensation	<u>8,213</u>	<u>86,804</u>	<u>8,213</u>	<u>86,804</u>
	<u>388,311</u>	<u>480,957</u>	<u>388,311</u>	<u>480,957</u>
	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Staff costs - Directors and key management personnel				
Directors	-	33,386	-	33,386
Senior executives	<u>388,311</u>	<u>447,571</u>	<u>388,311</u>	<u>447,571</u>
Administration and other expenses				
Ultimate parent company	930,000	930,000	930,000	930,000
Directors' fees (Note 10)	<u>19,959</u>	<u>20,040</u>	<u>19,959</u>	<u>20,040</u>
	<u>949,959</u>	<u>950,040</u>	<u>949,959</u>	<u>950,040</u>



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 21. PROPERTY, PLANT AND EQUIPMENT:

	The Group						Total \$'000
	Land & Buildings \$'000	Office Furniture, Machines & Equipment \$'000	Computer Equipment \$'000	Leasehold Improvement \$'000	Motor Vehicles \$'000	Working in Progress \$'000	
	2024						
At Cost or Valuation -							
1 October 2022	381,000	241,436	155,445	445,921	80,044	-	1,303,846
Additions	-	1,131	5,191	7,651	13,895	-	27,868
Revaluation	41,000	-	-	-	-	-	41,000
Disposal	-	( 239)	-	-	-	-	( 239)
Adjustments	-	11,431	-	(15,373)	-	-	( 3,942)
30 September 2023	422,000	253,759	160,636	438,199	93,939	-	1,368,533
Additions	14,583	3,917	4,469	16,224	-	3,978	43,171
Disposal	-	( 8,878)	-	-	-	-	( 8,878)
30 September 2024	436,583	248,798	165,105	454,423	93,939	3,978	1,402,826
Depreciation -							
1 October 2022	42,817	53,466	124,309	59,622	29,978	-	310,192
Charge for the year	7,064	25,160	22,978	41,896	18,253	-	115,351
Disposal	-	( 146)	-	-	-	-	( 146)
30 September 2023	49,881	78,480	147,287	101,518	48,231	-	425,397
Charge for the year	7,683	29,054	12,676	77,855	16,253	-	143,521
Disposal	-	( 2,874)	-	-	-	-	( 2,874)
30 September 2024	57,564	104,660	159,963	179,373	64,484	-	566,044
Net book value -							
30 September 2024	379,019	144,138	5,142	275,050	29,455	3,978	836,782
30 September 2023	372,119	175,279	13,349	336,681	45,708	-	943,136

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 21. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

	The Company						
	Land & Buildings \$'000	Office Furniture, Machines & Equipment \$'000	Computer Equipment \$'000	Leasehold Improvement \$'000	Motor Vehicles \$'000	Working In Progress \$'000	Total \$'000
	2024						
At Cost or Valuation -							
1 October 2022	381,000	240,217	150,983	445,921	80,044	-	1,298,165
Additions	-	1,131	5,191	7,651	13,895	-	27,868
Revaluation	41,000	-	-	-	-	-	41,000
Disposal	-	( 239)	-	-	-	-	( 239)
Adjustment	-	11,431	-	( 15,373)	-	-	( 3,942)
30 September 2023	422,000	252,540	156,174	438,199	93,939	-	1,362,852
Additions	14,583	3,917	4,469	16,224	-	3,978	43,171
Disposal	-	( 8,878)	-	-	-	-	( 8,878)
30 September 2024	<u>436,583</u>	<u>247,579</u>	<u>160,643</u>	<u>454,423</u>	<u>93,939</u>	<u>3,978</u>	<u>1,397,145</u>
Depreciation -							
1 October 2022	42,817	53,038	119,869	59,622	29,978	-	305,324
Charge for the year	7,064	25,016	22,960	41,896	18,253	-	115,189
Disposal	-	( 146)	-	-	-	-	( 146)
30 September 2023	49,881	77,908	142,829	101,518	48,231	-	420,367
Charge for the year	7,683	26,912	12,672	77,855	16,253	-	143,375
Disposal	-	( 2,874)	-	-	-	-	( 2,874)
30 September 2024	<u>57,564</u>	<u>103,946</u>	<u>155,501</u>	<u>179,373</u>	<u>64,484</u>	<u>-</u>	<u>560,868</u>
Net book value -							
30 September 2024	<u>379,019</u>	<u>143,633</u>	<u>5,142</u>	<u>275,050</u>	<u>29,455</u>	<u>3,978</u>	<u>836,277</u>
30 September 2023	<u>372,119</u>	<u>174,632</u>	<u>13,345</u>	<u>336,681</u>	<u>45,708</u>	<u>-</u>	<u>942,485</u>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2024

21. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

The group's land and building were revalued as at 8 September 2024 by D C Tavares & Finson Realty Limited, professionally qualified property appraisers. The valuations were done on the basis of open market value.

The items of property, plant and equipment that subsequent to initial recognition are measured at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (that is prices) or indirectly (that is, derived from prices);
- Level 3 fair value measurements are those derived from inputs from the assets or liability that are not based on observation of market data (that is, unobservable inputs).

The items of property, plant and equipment of the group and the company shown at revalued amounts are included in Level 3. There were no transfers between levels for both years.

The historical cost of land and building is not available.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 22. INTANGIBLE ASSETS:

	<u>The Group and Company</u>		
	<u>Computer Software</u>	<u>Computer Software Work in progress</u>	<u>Total</u>
At Cost or Valuation -			
1 October 2022	170,756	-	170,756
Additions	<u>7,503</u>	<u>10,426</u>	<u>17,929</u>
30 September 2023	178,259	10,426	188,685
Additions	<u>-</u>	<u>387,007</u>	<u>387,007</u>
30 September 2024	<u>178,259</u>	<u>397,433</u>	<u>575,692</u>
Amortisation -			
1 October 2022	155,979	-	155,979
Charge for the year	<u>11,205</u>	<u>-</u>	<u>11,205</u>
30 September 2023	167,184	-	167,184
Charge for the year	<u>6,415</u>	<u>-</u>	<u>6,415</u>
30 September 2024	<u>173,599</u>	<u>-</u>	<u>173,599</u>
Net book value -			
30 September 2024	<u>4,660</u>	<u>397,433</u>	<u>402,093</u>
30 September 2023	<u>11,075</u>	<u>10,426</u>	<u>21,501</u>

Software development costs were capitalized as it is expected that economic benefits attributable to the use of the software will flow to the group. The software is expected to replace the current investment management system used by the group.

Computer software work in progress represents cost incurred for the upgrade and migration of the telephone system from Avaya IP Office to Server Edition and the development costs related to the implementation of the OPIC system. These projects were not finalised at year end.

## 23. INVESTMENT:

This investment is in respect of the company's seat on the stock exchange and is carried at fair value. The seat has an indefinite useful life and was tested for impairment. The impairment test was done by comparing the recoverable amount to the carrying value.

The recoverable amount is based on the market value. The market value is based on the last sale price for a seat on the stock exchange. This would be classified as level 2 in the fair value hierarchy.

The carrying amount would have been \$2 if the asset was carried using the cost model.

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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24. INVESTMENT PROPERTY:

	<u>The Group and Company</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
At beginning of year	225,000	214,200
Fair value adjustment	5,000	10,800
Work in progress	<u>5,857</u>	<u>-</u>
	<u>235,857</u>	<u>225,000</u>

The Group's investment property was revalued 21 August 2024 by independent valuers Thomas, Forbes & Associates Limited, a licenced real estate dealer. The valuations were done on the basis of open market value.

No rental income from the investment property was recognized in the consolidated statement of comprehensive income. Work in progress including repairs and maintenance arising from investment property amounted to \$5,857 (2023 - Nil).

The fair value of the Group's and company's investment property is categorized as Level 3 in the fair value hierarchy.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

**24. INVESTMENT PROPERTY (CONT'D):**

The technique used to determined the fair value of investment property is as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>Market approach. This model takes into account:</p> <ul style="list-style-type: none"> <li>- The assumed intention to dispose of the property in an open market transaction.</li> <li>- The assumed sale would take place on the basis of a willing seller and willing buyer;</li> <li>- A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;</li> <li>- Values are expected to remain stable throughout that period of market exposure and disposal (hypothetical); and</li> <li>- The property will be freely exposed to the market.</li> </ul>	<ul style="list-style-type: none"> <li>- Judgment about whether the property can be sold, exchanged transferred, let mortgaged or used for any other economic activity, within its use class.</li> <li>- The strength of demand for the property, given its condition, location and range of potential uses.</li> <li>- The potential rental value of the property in the current investment climate.</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>- The strength of the demand is greater/(less) than judged.</li> <li>- The potential rental income from the property is greater/(less) than judged.</li> </ul>

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 25. RIGHT-OF-USE ASSETS:

##### (a) Right-of-use assets:

	<u>The Group and Company</u>
	<u>\$'000</u>
1 October 2022	231,882
Additions	53,583
Lease modification	11,539
Current amortisation	( 44,730)
30 September 2023	252,274
Lease modification	17,865
Current amortisation	( 53,221)
30 September 2024	<u>216,918</u>

##### (b) Lease liability:

	<u>The Group and Company</u>
	<u>\$'000</u>
1 October 2022	287,207
Additions	53,583
Lease modification	11,473
Interest expense on lease obligations	21,979
Lease obligation	( 65,847)
30 September 2023	308,395
Lease modification	18,032
Interest expense on lease obligations	19,285
Lease obligation	( 80,175)
30 September 2024	<u>265,537</u>

The properties leased by the Group are the 1<sup>st</sup>, 7<sup>th</sup>, 8<sup>th</sup> and part of the 10<sup>th</sup> floor of the PanJam building located at 60 Knutsford Boulevard Kingston, St. Andrew, Lot #57 and Lot #3 Fairview Shopping Center Montego Bay, St James Strata Lot #2 Manchester Shopping Centre, Mandeville, Manchester and Lot 16 West Trade Way, Portmore St. Catherine.

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 26. INVESTMENT IN SUBSIDIARIES:

The balance represents the company's investments in subsidiaries. The balance at year end comprises:-

	<u>The Company</u>	
	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Barita Unit Trusts Management Limited	2,085,700	2,085,700
Cornerstone Group Employee Share Trust	<u>1,336,164</u>	<u>1,348,020</u>
	<u>3,421,864</u>	<u>3,433,720</u>

On 28 September 2021, Barita Investments Limited established the Cornerstone Group Employee Share Trust in an effort to facilitate its Employee Share Option Plan. Shares held by the trust are treated as an investment in subsidiary within the company's financial statements. The assets and liabilities of the trust are consolidated in the Company's financial statements as if they were assets and liabilities of the Company. As at year end, the trust held no other assets other than the shares contributed by Barita Investments Limited, which represented 14,135,242 units and \$1,336,164,000 in value.

On 31 August 2023 via round robin, directors of the company approve an additional investment in subsidiary Barita Unit Trusts Management Limited of two billion dollars (\$2,000,000,000). This investment is represented by exchange of a further one million paid up ordinary shares at a share price of \$2.

#### 27. INVESTMENT IN ASSOCIATE:

On 23 February 2021, Barita Investments Limited acquired a 20% shareholding in Derrimon Trading Company Limited amounting to a total of 906,950,275 units.

The principal activities of the company include the wholesale and bulk distribution of household and food items through the operation of a chain of outlets and supermarkets.

The results of the associate are determined by prorating the results for the audited year ended 31 December as well as the nine months period covered by management accounts as at 30 September to ensure that a year's result is accounted for.

The balance represents the company's investments in associates (note 3(c)). The balance at year end comprises:-

	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>
Opening balance	2,281,723	2,186,695
Share of profit	<u>24,078</u>	<u>95,028</u>
	<u>2,305,801</u>	<u>2,281,723</u>



## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 27. INVESTMENT IN ASSOCIATE (CONT'D):

The assets, liabilities, revenue and results of associate for the 12 month period ended 30 June are summarized as follows:-

	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Current assets	9,129,867	8,815,656
Non-current assets	8,842,698	7,882,333
Current liabilities	( 4,260,009)	( 4,175,455)
Non-current liabilities	( 6,846,695)	( 5,949,333)
Revenue	<u>16,967,918</u>	<u>18,710,372</u>
Net Profit	<u>118,839</u>	<u>508,135</u>

The carrying values of investment in associate and the values indicated by prices quoted on the JSE ("JSE Indicative Value") as at 30 September 2024 are as follows:

	<u>Number of Shares held</u>	<u>Carrying Value \$'000</u>	<u>JSE Indicative Value \$'000</u>
Derrimon Trading Limited	<u>918,510,927</u>	<u>2,364,748</u>	<u>1,781,911</u>
		<u>2,364,748</u>	<u>1,781,911</u>

#### 28. SECURED INVESTMENT NOTES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>	<u>2024</u> <u>\$'000</u>	<u>2023</u> <u>\$'000</u>
Secured loan notes	<u>2,516,170</u>	<u>5,940,517</u>	<u>13,056,218</u>	<u>10,386,809</u>

The secured loan notes represent short term loan obligations at interest rates between 3.5% - 8.45% and are repayable upon maturity. The maturity dates for the loans ranged from October 2024 to January 2025 (2023: October and November 2023).

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

**29. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS:**

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Denominated in Jamaican Dollars	25,788,469	23,398,348	25,834,648	23,398,348
Denominated in United States Dollars	58,543,791	53,148,282	58,543,791	53,148,282
	<u>84,332,260</u>	<u>76,546,630</u>	<u>84,378,439</u>	<u>76,546,630</u>

Repurchase agreements are collateralized by certain securities and other instruments held by the group with a carrying value of \$83,717,008,000 (2023: \$61,603,598,000) (Note 14).

**30. OTHER DEBT FACILITIES:**

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Secured fixed rate bond	1,507,450	1,507,450	1,507,450	1,507,450
(b) Unsecured fixed rate bond	2,315,925	2,309,113	2,298,925	2,292,113
(c) Loan due to specialized institution	1,771,033	250,000	1,771,033	250,000
(d) Margin loan facility	<u>8,324,741</u>	<u>4,207,598</u>	<u>8,324,741</u>	<u>4,207,598</u>
	13,919,149	8,274,161	13,902,149	8,257,161
Debt issuance cost	( 6,360)	( 14,686)	( 6,360)	( 14,686)
Interest payable	<u>40,768</u>	<u>41,522</u>	<u>40,410</u>	<u>41,153</u>
	<u>13,953,557</u>	<u>8,300,997</u>	<u>13,936,199</u>	<u>8,283,628</u>

(a) The secured bond of \$1.507 billion was issued on 28 February 2024. Interest rate ranges from 9% to 10.75%. The bond was issued for:

- (i) Growth and diversification,
- (ii) Liquidity support,
- (iii) investment banking underwriting,
- (iv) foreign exchange management and
- (v) acquisition of loan portfolio by subsidiary, Barita Unit Trust Management Company Limited which will be extended and administered by Barita Investments Limited.

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 30. OTHER DEBT FACILITIES (CONT'D):

The bond is secured with:

(i) secured bond issued by the company-

(a) Ordinary shares held by Barita Investments Limited in publicly listed companies.

(b) Jamaica Central Securities Depository (JCSD) pledge over the ordinary shares referred to above.

(b) The unsecured bond of \$2.29 billion was issued in the following tranches:

(i) \$798.6 million on 28 August 2023 at an interest rate of 11.25% for 2 years.

(ii) \$346.5 million on 28 August 2023 at an interest rate of 8.25% for 2 years. This bond was issued in USD.

(iii) \$1.14 billion on 28 August 2023 at an interest rate of 11.75% for 3 years.

(c) This loan is an on-lending facility issued by Development Bank of Jamaica on 24 May 2023 with an interest rate of 9.5%. This loan facility is repaid in quarterly installments and matures on 23 May 2028.

(d) This loan facility represents USD margin loan at an interest rate of Fed + 1% and is subject to no specific terms of repayment.

#### 31. PAYABLES:

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Client funds	2,044,738	1,095,023	1,998,287	1,070,862
Statutory liabilities	34,667	34,774	32,693	33,252
Dividend payable	2,498,504	-	2,498,504	-
Other	<u>669,507</u>	<u>336,867</u>	<u>616,449</u>	<u>288,468</u>
	<u>5,247,416</u>	<u>1,466,664</u>	<u>5,145,933</u>	<u>1,392,582</u>

#### 32. DEFERRED TAXATION:

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 33 1/3%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 32. DEFERRED TAXATION (CONT'D):

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred tax liabilities/(assets)	<u>494,285</u>	<u>(687,797)</u>	<u>492,630</u>	<u>(697,249)</u>

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Net (assets)/liabilities at beginning of year	( 687,797)	(1,351,993)	( 697,249)	(1,383,988)
Charged to profit or loss (Note 11)	1,109,301	885,397	1,045,720	873,239
Charged to other comprehensive income (Note 11)	113,532	( 219,856)	144,159	( 186,500)
Adjustment to deferred tax	<u>( 40,751)</u>	<u>( 1,345)</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>494,285</u>	<u>( 687,797)</u>	<u>492,630</u>	<u>( 697,249)</u>

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

	<u>The Group</u>					
	<u>Accelerated depreciation</u>	<u>Interest receivable</u>	<u>Exchange gain</u>	<u>Investment securities</u>	<u>Lease liability</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred tax liabilities						
1 October 2022	32,414	348,528	314,808	780,251	95,735	1,571,736
Charged to profit or loss	(32,414)	214,751	( 77,225)	1,489,974	(11,644)	1,583,442
Charged to other comprehensive income	-	-	-	32,169	-	32,169
30 September 2023	-	563,279	237,583	2,302,394	84,091	3,187,347
Charged to profit or loss	(24,669)	513,231	125,817	1,125,909	(11,785)	1,728,503
Charged to other comprehensive income	-	-	-	1,295,339	-	1,295,339
30 September 2024	<u>(24,669)</u>	<u>1,076,510</u>	<u>363,400</u>	<u>4,723,642</u>	<u>72,306</u>	<u>6,211,189</u>

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## 32. DEFERRED TAXATION (CONT'D):

Deferred tax assets	The Group							Total \$'000
	Accelerated depreciation \$'000	Stock option \$'000	Accrued vacation \$'000	Investment securities \$'000	Interest payable \$'000	Right of use \$'000	Tax losses \$'000	
1 October 2022	-	48,809	22,534	2,556,480	218,612	77,294	-	2,923,729
(Credited)/charged to profit or loss	61,698	(41,863)	( 3,217)	310,932	198,922	25,504	182,350	734,326
Charged to other comprehensive income	-	-	-	217,089	-	-	-	217,089
30 September 2023	61,698	6,946	19,317	3,084,501	417,534	102,798	182,350	3,875,144
Charged to profit or loss	-	840	3,489	234,804	9,929	( 14,286)	735,187	969,963
Charged to other comprehensive income	-	-	-	1,151,180	-	-	-	1,151,180
30 September 2024	61,698	7,786	22,806	4,470,485	437,756	88,512	627,861	5,716,904

Deferred tax liabilities	The Company					Total \$'000
	Accelerated depreciation \$'000	Interest receivable \$'000	Exchange gain \$'000	Investment securities \$'000	Lease liability \$'000	
1 October 2022	56,350	343,905	239,775	803,976	95,735	1,539,741
Charged/(credited) to profit or loss	(56,350)	200,653	( 73,957)	1,474,183	(11,644)	1,532,885
Charged to other comprehensive income	-	-	-	32,169	-	32,169
30 September 2023	-	544,558	165,818	2,310,328	84,091	3,104,795
Charged/(credited) to profit or loss	(24,718)	674,753	114,606	1,387,630	(11,785)	2,140,486
Charged to other comprehensive income	-	-	-	1,295,339	-	1,295,339
30 September 2024	(24,718)	1,219,311	280,424	4,993,297	72,306	6,540,620

**BARITA INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2024**

32. DEFERRED TAXATION (CONT'D):

Deferred tax assets	The Company							
	Accelerated depreciation	Stock option	Accrued vacation	Investment securities	Interest payable	Right of use	Tax losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 October 2023	-	48,809	22,534	2,556,480	218,612	77,294	-	2,923,729
(Credit)/charged to profit or loss	42,085	(41,863)	( 3,217)	255,865	198,922	25,504	182,350	659,646
Charged to other comprehensive income	-	-	-	218,669	-	-	-	218,669
30 September 2023	42,085	6,946	19,317	3,031,014	417,534	102,798	182,350	3,802,044
(Credit)/charged to profit or loss	-	1,760	3,489	234,804	133,812	( 14,286)	735,187	1,094,766
Charged to other comprehensive income	-	-	-	1,151,180	-	-	-	1,151,180
30 September 2024	42,085	8,706	22,806	4,416,998	551,346	88,512	917,537	6,047,990

The amounts shown in the statement of financial position include the following to be settled or recovered after more than 12 months:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deferred tax liabilities	6,211,189	3,187,347	6,540,620	3,104,795
Deferred tax assets	(5,716,904)	(3,875,144)	(6,047,990)	(3,802,044)

## BARITA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 30 SEPTEMBER 2024

#### 33. SHARE CAPITAL AND TREASURY SHARES:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Authorised:				
Ordinary shares 14,000,000,000				
Preference 1,000,000,000				
Issued and fully paid				
Ordinary stock units				
1,220,388,243	33,668,224	33,668,224	33,668,224	33,668,224
Non-redeemable preference shares	1,000,000	1,000,000	1,000,000	1,000,000
Treasury shares				
20,409,672 (2023 - 20,552,306)	(1,838,114)	(1,854,174)	-	-
	<u>32,830,110</u>	<u>32,814,050</u>	<u>34,668,224</u>	<u>34,668,224</u>

#### Share capital and treasury shares

- (a) On 3 August 2021, the Board of Directors passed a resolution for the issue of shares through an additional public offer thereby approving the issue up to 160,000,000 ordinary shares at a price of \$80 per unit. The total shares issued under the additional public offer amounted to 134,785,150 units.
- (b) Treasury shares represents ordinary shares held by Barita Unit Trusts Management Company Limited of 6,274,458 and Cornerstone Group Employee Trust (CGET) of 14,135,242 at year end.
- (c) 100,000,000 preference shares at 4% per annum were issued at a price of \$10.00 per share.
- (i) The holders of these shares will not have the right to vote at any general meeting of the company.
- (ii) In the event of any liquidation, dissolution or winding up of the issuer, the preference shareholders are entitled to receive settlement in preference to ordinary shareholders.

# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

**34. CAPITAL RESERVE:**

	<u>The Group</u>		<u>The Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of the year	175,988	148,655	237,843	210,510
Revaluation gains on property, plant and equipment	-	27,333	-	27,333
	<u>175,988</u>	<u>175,988</u>	<u>237,843</u>	<u>237,843</u>

The consolidated revaluation reserve represents unrealized surplus on the revaluation of property, plant and equipment less consolidation adjustments to account for the acquisition of Barita Unit Trusts Management Company Limited in the Group financial statements.

**35. FAIR VALUE RESERVE:**

This represents the unrealized surplus or deficit on the revaluation of investment securities at FVOCI and stock exchange seat. The investments are not impaired and the recorded deficit is based on short term fluctuations in market prices.

**36. STOCK OPTION RESERVE:**

**(a) Stock option description and movements:**

On 24 January 2021, the company obtained approval from the Board of Directors through a resolution to establish the Employee Stock Ownership Plan for all eligible employees of the Cornerstone Group comprising 6 million ordinary shares. Under the terms of the plan eligible employees will be granted the right to participate by purchasing the company's shares at a discount. Further to this, approval from the Board of Directors was granted on 28 September 2021 for the commencement of the Cornerstone Group Employee Trust by contributing 10 million shares to be held in the trust in accordance with the Trust Deed and the Plan Rules.

In prior year, an additional 10,000,000 units of shares were purchased for the Cornerstone Group Employee Trust (CGET). Under the rules of the stock option plan, the following allocations were made:



# **BARITA INVESTMENTS LIMITED** **NOTES TO THE FINANCIAL STATEMENTS** **30 SEPTEMBER 2024**

## **36. STOCK OPTION RESERVE (CONT'D):**

### **(a) Stock option description and movements (cont'd):**

	<u>The Group</u>		<u>The Company</u>	
	<u>No. of shares</u>		<u>No. of shares</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>
At 1 October	1,255	4,752	1,139	3,446
Options granted during the year	<u>742</u>	<u>350</u>	<u>742</u>	<u>250</u>
At 30 September	1,997	5,102	1,881	3,696
Forfeiture	( 936)	(3,847)	( 920)	(2,557)
Balance at 30 September	<u>1,061</u>	<u>1,255</u>	<u>961</u>	<u>1,139</u>

The options granted are exercisable over a period of three years beginning upon vesting, at the end of which time unexercised options will expire. The total grant of each employee will be fully vested on the third anniversary of the grant date. The plan provides for equitable adjustment of the allocated number of shares by reason of stock splits, combinations or exchanges of shares, stock dividends and reclassifications or other similar corporate changes.

### **(b) Fair value of options granted:**

The fair value of options granted determined using the Black-Scholes-Merton valuation model was \$23,090,000 (2023 - \$492,195,000) for the group and \$23,090,000 (2023 - \$365,689,000) for the company. The significant inputs into the model were the share price at the grant date, exercise price the risk free interest rate share price volatility factor expected dividends and the option life of four (4) years. It is expected that these options will be exercised within three (3) years.

	<u>2024</u>	<u>2023</u>
Share price	70.63/73.38	78.98
Exercise price	Nil/52	Nil
Risk free interest rate	5.89	5.88%
Volatility factor	43.33/44.25	29.84%
Expected dividend	3.14	0.00

# BARITA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 30 SEPTEMBER 2024

#### 36. STOCK OPTION RESERVE (CONT'D):

##### (c) Movement on share option reserve:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 October	22,300	186,284	20,837	146,428
Fair value of options recognised during the year	8,040	160,634	5,280	81,419
	30,340	346,918	26,117	227,847
Fair value of options exercised	-	(324,618)	-	(207,010)
At 30 September	30,340	22,300	26,117	20,837

#### 37. CAPITAL REDEMPTION RESERVE:

This reserve arise on the redemption of preference shares during the 2014 financial year.

#### 38. DIVIDENDS:

	2024 \$'000	2023 \$'000
Distribution to ordinary stockholders:		
\$1.634 per stock unit - paid	1,994,114	-
\$1.967 per stock unit - proposed	2,400,504	-
	4,394,618	-
Distribution to preference stockholder:		
\$0.98 per stock unit - paid	98,000	-
\$0.98 per stock unit - proposed	98,000	-
	196,000	-
	4,590,618	-

#### 39. MANAGED FUNDS:

The group acts as agent and earns fees for managing clients' and investment funds on a non-recourse basis under management agreements. This includes unit trusts, pension scheme assets and structured entities. Except where the group holds units or provides financing, it has no legal or equitable interest in the securities underlying the investment of these managed funds. Accordingly, these securities are not consolidated in the statement of financial position.

As at 30 September 2024, the group's on and off-balance sheet financial assets under management amounted to \$404,895,121,000 (2023: \$361,563,925,000). The group's financial statements include net assets of \$25,229,602,000 (2023: \$23,369,910,000) relating to the managed funds.

APPENDIX 3  
LIST OF LOCATIONS FOR LEAD BROKER AND SELLING AGENTS

BARITA INVESTMENTS LIMITED – LEAD BROKER

BRANCH LOCATION	ADDRESS
BARITA INVESTMENTS LIMITED – HEAD OFFICE	15 St. Lucia Way, Kingston 5
BARITA INVESTMENTS - MANCHESTER	Shop 2A, Manchester Shopping Centre 17 Caledonia Road, Mandeville, Manchester
BARITA INVESTMENTS – WEALTH DIVISION	Ground Floor, Panjam Building 60 Knutsford Boulevard, Kingston 5
BARITA INVESTMENTS – FAIRVIEW MONTEGO BAY	Shop 5, Fairview Town Centre Montego Bay, St. James

**SCOTIA INVESTMENTS JAMAICA LIMITED – SELLING AGENT**

BRANCH	LOCATION
SCOTIA INVESTMENTS – HEAD OFFICE	3 <sup>rd</sup> Floor, Scotiabank Centre Building, Corner Duke and Port Royal Streets, Kingston
SCOTIABANK – SPANISH TOWN	6 March Pen Road, Spanish Town, St. Catherine
CONSTANT SPRING FINANCIAL CENTRE	132-132A Constant Spring Road, Kingston 8
SCOTIABANK – HALF-WAY TREE	82-84 Half-Way-Tree Road, Kingston 10
SCOTIABANK – MANDEVILLE	1a Caledonia Road, Mandeville, Manchester
SCOTIABANK – CHRISTIANA	Main Street, P.O. Box 11
SCOTIABANK – OCHO RIOS	Main Street, Ocho Rios, St. Ann
SCOTIABANK – BROWNS TOWN	Main Street, P.O. Box 35, St. Ann
SCOTIABANK – ST. ANN’S BAY	18 Bravo Steet, St. Ann
SCOTIABANK – SAVANNA-LA-MAR	19 Great George Street Savanna-La-Mar, Westmoreland
SCOTIABANK – NEGRIL	Negril Square, Negril
SCOTIABANK – LIGUANEA	125-127 Old Hope Road, Kingston 6
SCOTIABANK – NEW KINGSTON	2 Knutsford Boulevard, New Kingston, Kingston 5
FAIRVIEW FINANCIAL CENTRE	1 Port Avenue, Bogue, Montego Bay, St. James
SCOTIABANK – MONTEGO BAY	6-7 Sam Sharpe Square, Market Street, Montego Bay
SCOTIABANK – IRONSHORE	Hops #2 & 3 Golden Triangle Shopping Centre, Montego Bay

SCOTIA INVESTMENTS JAMAICA LIMITED – SELLING AGENT

BRANCH	LOCATION
SCOTIABANK – HAGLEY PARK ROAD	128 Hagley Park Road, P.O. Box 5
SCOTIABANK – PORTMORE	Lot 2, Cookson Pen, Bushy Park, Greater Portmore, St. Catherine
SCOTIABANK – LINSTEAD	42 King Street, P.O. Box 19
SCOTIABANK CENTRE	Corner Duke & Port Royal Streets, Kingston
SCOTIABANK – MAY PEN	36 Main Street, May Pen
SCOTIABANK – UWI	Corner Ring Road & Shed Lane, Kingston 7
SCOTIABANK – OXFORD ROAD	6 Oxford Road, Kingston
SCOTIABANK – PORT ANTONIO	3 Harbour Street, P.O. Box 79
SCOTIABANK - JUNCTION	77 Main Street, P.O. Box 20, St. Elizabeth
SCOTIABANK – BLACK RIVER	6 High Street, St. Elizabeth
SCOTIABANK – SANTA CRUZ	42 Main Street, St. Elizabeth
SCOTIABANK – PORT MARIA	57 Warner Street, P.O. Box 6, St. Mary
SCOTIABANK – MORANT BAY	23 Queens Street, P.O. Box 30, St. Thomas
SCOTIABANK – FALMOUTH	Trelawny Wharf, Trelawny

JAMAICA MONEY MARKET BROKERS LIMITED (JMMB) – SELLING AGENT

BRANCH	LOCATION
JMMB – HAUGHTON	5 Haughton Avenue, Kingston 10
JMMB – NEW KINGSTON	11 Knutsford Boulevard, Kingston 5
JMMB – JUNCTION AGENCY	Shop 2, Roye’s Plaza, Main Street, Junction, St. Elizabeth
JMMB - MANDEVILLE	23 Ward Avenue, Mandeville, Manchester
JMMB – MONTEGO BAY	Suite 1, Fairview Office Park, Alice Eldermire Drive, Montego Bay, St. James
JMMB – MAY PEN	Shop 28B, Bargain Village Plaza, 35 Main Street, Clarendon
JMMB– OCHO RIOS	Guardian Life Building, 2 Graham Street, Ocho Rios, St. Ann
JMMB - PORTMORE	47-48 West Trade Way, Portmore Town Centre, Portmore, St. Catherine
JMMB – SANTA CRUZ	Shop No. 2, Oasis Plaza, Coke Drive, Santa Cruz, St. Elizabeth

JN FUND MANAGERS LIMITED – SELLING AGENT

BRANCH	LOCATION
JN FUND MANAGERS – NEW KINGSTON	2 Belmont Road, Kingston 5
JN FUND MANAGERS - MONTEGO BAY	Lot 2-5 Megamart Complex, Montego Bay, St. James
JN FUND MANAGERS - MANCHESTER	Mandeville Plaza, Mandeville, Manchester
JN FUND MANAGERS – HALF-WAY TREE	2-4 Constant Spring Road, Kingston 10
JN FUND MANAGERS – PORTMORE PINES	Shop #29, Portmore Pines Plaza, St. Catherine

PROVEN WEALTH – SELLING AGENT

BRANCH	LOCATION
PROVEN WEALTH – KINGSTON, HEAD OFFICE	2-4 Gladstone Drive, Kingston 10
PROVEN WEALTH - MANDEVILLE	Unit 5B, Cobblestone Professional Centre, 1A Brumalia Road, Mandeville
PROVEN WEALTH – MONTEGO BAY	Unit 11 Suite B, Fairview II Shopping Centre, Montego Bay

**VICTORIA MUTUAL WEALTH MANAGEMENT LIMITED - SELLING AGENT**

BRANCH	LOCATION
VM WEALTH MANAGEMENT – HEAD OFFICE	53 Knutsford Boulevard, Kingston 5
VM WEALTH MANAGEMENT - DUKE STREET	8 – 10 Duke Street, Kingston
VM WEALTH MANAGEMENT - PORTMORE	Lot 1 Seagrape Close, Portmore, St. Catherine
VM WEALTH MANAGEMENT - MANDEVILLE	Shop #3, Manchester Shopping Centre, Mandeville
VM WEALTH MANAGEMENT – OCHO RIOS	7 Newlin Street, Ocho Rios
VM WEALTH MANAGEMENT – MONTEGO BAY	Unit No. 33, Fairview Shopping Complex, Bogue Estate, Montego Bay
VM WEALTH MANAGEMENT – SAVANNA -LA-MAR	123 Great George Street, Savanna-La-Mar
VM WEALTH MANAGEMENT - LIGUANEA	115 Old Hope Road, Kingston 6
VM WEALTH MANAGEMENT – UNIVERSITY OF TECHNOLOGY	237 Old Hope Road, Kingston 6

**FHC INVESTMENTS LIMITED – SELLING AGENT**

BRANCH	LOCATION
FHC INVESTMENTS - HEAD OFFICE	20 Dominica Drive, Kingston 5
FHC INVESTMENTS – MONTEGO BAY	21 Union Street, Montego Bay



## APPENDIX 4

### AUDITOR'S CONSENT



Tel: (876) 926-1616/7, 926-4421  
 Fax: (876) 926-7580  
 www.bdo.com.jm

Chartered Accountants  
 26 Beechwood Avenue  
 P.O. Box 351  
 Kingston 5, Jamaica

11 March 2025

The Board of Directors  
 Barita Investments Limited  
 15 St. Lucia Way  
 Kingston 5

Ladies and Gentlemen

Prospectus for the issuance of Senior Unsecured Bond having an aggregate principal amount of USD11,000,000 and JMD2,250,000,000 collectively with the ability to upsize for an additional USD6,000,000 and JMD1,250,000,000 by Barita Investments Limited

With respect to the Prospectus for the issuance of Senior Unsecured Bond by Barita Investments Limited, ("Barita" or the "Company"), we hereby consent to the publication of the Prospectus which has been signed by the Directors of Barita on behalf of the Company with the inclusion in the Prospectus of:

1. The audited financial statements and our Auditor's report thereon and the notes thereto for the financial year ended 30 September 2024.
2. Our report on the summary financial information as set out in Section 13 for the years ended 30 September 2019 to 30 September 2024; and
3. The references to our name in the form and context in which they are included in the prospectus.

We confirm that we have not withdrawn such consent before delivery of a copy of the Prospectus to the Companies Office of Jamaica and the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such reports.

Yours faithfully,

Chartered Accountants

Partners: S. H. McFarlane, J. Hilbert, D. Holson, B. Varnell, K. Henson  
 Associate Partner: D. Brown  
 Offices in Montego Bay, Mandeville and Ocho Rios  
 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.

# APPENDIX 5 THE COMPANY’S BORROWING POWERS

## THE COMPANY’S BORROWING POWERS ARE DERIVED FROM ITS ARTICLE. THE ARTICLES CONTAIN THE FOLLOWING PROVISION:

Article 74. The Directors may raise or borrow for the purposes of the Company such sum or sums of money as they think fit. The Directors may secure the repayment of or raise any such sum or sums as aforesaid and also secure the repayment of any sum or sums due or owing by the Company or by any other person by bill of sale, mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled capital, or by the issue, at such price as they may think fit, of bonds, debentures or debenture stock, either charged upon the whole or any part of the property and assets of the Company or not so charged, or by bonds, bills of exchange, promissory notes or in such other way as the Directors may think expedient.

**APPENDIX 6**  
**FORM OF GLOBAL BONDS**  
**PART A: FORM OF TRANCHE I BOND**

**GLOBAL BOND**  
**BARITA INVESTMENTS LIMITED**  
**TRANCHE I UNSECURED USD FIXED RATE BONDS, DUE \_\_\_\_\_, 2027**

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_], 2025

**Serial number:** \_\_\_\_\_  
**AMOUNT: US\$[\*]**

**ISSUE DATE:** [\_\_\_\_\_, 2025]  
**MATURITY DATE:** [\_\_\_\_\_, 2027]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE I BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* UNITED STATES DOLLARS][US\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche I Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche I Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche I Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 7.00% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche I Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period,

commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means USD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche I Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche I Bonds”** means the 7.00% Unsecured USD Fixed Rate Bonds due \_\_\_\_\_, 2027.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

**“USD” or “US\$”** means lawful currency of the United States of America.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

PART B: FORM OF TRANCHE II BOND

GLOBAL BOND  
BARITA INVESTMENTS LIMITED  
TRANCHE II UNSECURED USD FIXED RATE BONDS, DUE \_\_\_\_\_, 2028

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [ \_\_\_\_\_, 2025]

AMOUNT: US\$[\*]

MATURITY DATE: [ \_\_\_\_\_, 2028]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE II BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* UNITED STATES DOLLARS][US\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche II Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche II

Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche II Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 7.50% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche II Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and



ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means USD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche II Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche II Bonds”** means the 7.50% Unsecured USD Fixed Rate Bonds due \_\_\_\_\_, 2028.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

**“USD” or “US\$”** means lawful currency of the United States of America.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

## PART C: FORM OF TRANCHE III BOND

# GLOBAL BOND

## BARITA INVESTMENTS LIMITED

### TRANCHE III UNSECURED JMD FIXED RATE BONDS, DUE \_\_\_\_\_, 2027

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [\_\_\_\_\_, 2025]

AMOUNT: J\$[\*]

MATURITY DATE: [\_\_\_\_\_, 2027]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE III BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* JAMAICAN DOLLARS][J\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche III Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche III Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued

thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche III Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 9.75% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche III Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“JMD” or “J\$”** means Jamaican Dollars.

**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means JMD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche III Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche III Bonds”** means the 9.75% Unsecured JMD Fixed Rate Bonds due \_\_\_\_\_, 2027.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

PART D: FORM OF TRANCHE IV BOND

# GLOBAL BOND

## BARITA INVESTMENTS LIMITED

### TRANCHE IV UNSECURED JMD FIXED RATE BONDS, DUE \_\_\_\_\_, 2028

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [\_\_\_\_\_, 2025]

AMOUNT: J\$[\*]

MATURITY DATE: [\_\_\_\_\_, 2028]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE IV BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* JAMAICAN DOLLARS][J\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche IV Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche IV Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued

thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche IV Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 10.00% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche IV Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“JMD” or “J\$”** means Jamaican Dollars.



**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means JMD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche IV Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche IV Bonds”** means the 10.00% Unsecured JMD Fixed Rate Bonds due \_\_\_\_\_, 2028.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

PART E: FORM OF TRANCHE V BOND

# GLOBAL BOND

## BARITA INVESTMENTS LIMITED

### TRANCHE V UNSECURED JMD FIXED RATE BONDS, DUE \_\_\_\_\_, 2030

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [ \_\_\_\_\_, 2025]

AMOUNT: J\$[\*]

MATURITY DATE: [ \_\_\_\_\_, 2030]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE V BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* JAMAICAN DOLLARS][J\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche V Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche V Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued

thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche V Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 10.50% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche V Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“JMD” or “J\$”** means Jamaican Dollars.

**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means JMD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche V Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche V Bonds”** means the 10.50% Unsecured JMD Fixed Rate Bonds due \_\_\_\_\_, 2030.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

PART F: FORM OF TRANCHE VI BOND

# GLOBAL BOND

## BARITA INVESTMENTS LIMITED

### TRANCHE VI UNSECURED JMD FIXED RATE BONDS, DUE \_\_\_\_\_, 2032

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [ \_\_\_\_\_, 2025]

AMOUNT: J\$[\*]

MATURITY DATE: [ \_\_\_\_\_, 2032]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE VI BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* JAMAICAN DOLLARS][J\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche VI Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche VI Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued

thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche VI Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 10.75% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche VI Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“JMD” or “J\$”** means Jamaican Dollars.



**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means JMD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche VI Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche VI Bonds”** means the 10.75% Unsecured JMD Fixed Rate Bonds due \_\_\_\_\_, 2032.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

#### BARITA INVESTMENTS LIMITED

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.

## PART G: FORM OF TRANCHE VII BOND

# GLOBAL BOND

## BARITA INVESTMENTS LIMITED

### TRANCHE VII UNSECURED JMD FIXED RATE BONDS, DUE \_\_\_\_\_, 2035

Issued and Constituted under a Trust Deed dated the [ ] day of [\_\_\_\_], 2025

Serial number: \_\_\_\_\_

ISSUE DATE: [\_\_\_\_\_, 2025]

AMOUNT: J\$[\*]

MATURITY DATE: [\_\_\_\_\_, 2035]

THIS GLOBAL BOND IS ISSUED TO JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED TO BE HELD FOR THE BENEFIT OF ALL HOLDERS OF TRANCHE VII BONDS. THIS BOND MAY BE TRANSFERRED TO, AND HELD ONLY BY, THE TRUSTEE FOR THE TIME BEING OF BONDHOLDERS APPOINTED UNDER THE TRUST DEED DATED THE [ ] DAY OF [\_\_\_\_], 2025 BETWEEN BARITA INVESTMENTS LIMITED AND JCSD TRUSTEE SERVICES LIMITED OR A DEPOSITORY APPOINTED THEREUNDER.

THIS GLOBAL BOND REPRESENTS A TRANCHE OF BONDS WHICH WERE PUBLICLY ISSUED IN ACCORDANCE WITH THE GUIDELINES FOR ISSUERS OF SECURITIES (GUIDELINES SR-GUID-22/08-0002) AND THE JAMAICA STOCK EXCHANGE BOND MARKET RULES.

FOR VALUE RECEIVED, **BARITA INVESTMENTS LIMITED**, (the “Issuer”) HEREBY UNCONDITIONALLY PROMISES TO PAY to the order of JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED (herein called the “Registered Holder”) the principal sum of [\* JAMAICAN DOLLARS][J\$\*]] (the “Principal Amount”) on the Maturity Date.

The Issuer further promises to pay interest on the unpaid Principal Amount hereof for each day during each Interest Period until the Principal Amount of this Global Bond is repaid in full on the Maturity Date, at a rate per annum equal to the Agreed Rate. Accrued interest shall be payable in arrears on each Interest Payment Date. Interest at the relevant rate shall accrue from day to day (as well after as before any judgment) and be prorated on the basis of a 365-day year (366 in a leap year) for the actual number of days in the relevant Interest Period.

This Global Bond (constituted by the Trust Deed) is issued in respect of bonds which represent a purchaser’s proportionate interest in the Global Bond. The Issuer intends that this Global Bond shall be impressed with stamp duty in Jamaica and be held by the Registered Holder for enforcement in Jamaica, if deemed necessary. Payment of principal and interest to the holders of Tranche VII Bonds shall pro tanto reduce the Issuer’s obligations under this Global Bond to the extent that the aggregate principal obligation of the Issuer to the holders of Tranche VII Bonds in respect of their bonds and this Global Bond shall not exceed the Principal Amount.

In the event that any payment due and payable to the Registered Holder is not paid on its due date, interest shall accrue thereon

at the Default Rate and such interest shall accrue from the said due date until the said unpaid sum and all interest accrued thereon are paid in full to the Registered Holder, capitalized with monthly rests.

If principal or interest becomes due for payment on a day which is not a Business Day, payment thereof shall be made on the next succeeding Business Day (unless that day falls in the next calendar month in which event such payment shall be made on the immediately preceding Business Day). All payments of principal shall be made upon presentment of this Global Bond at the Place of Payment in the Payment Currency. All payments due under this Global Bond shall be made without set-off or counterclaim but subject to any withholding tax which the Issuer is obliged to deduct by applicable law.

This Global Bond is subject to optional prepayment and also, mandatory redemption or repayment as provided for by the Trust Deed. Upon the occurrence of one or more of the Events of Default (as set out in the Trust Deed) all amounts then remaining unpaid shall become due and payable, subject to the terms and conditions of the Trust Deed.

**This Global Bond is entitled to the benefit of the provisions of the Trust Deed. All Tranche VII Global Bonds issued and constituted under the Trust Deed shall, regardless of their issue date, rank pari passu and rateably in all respects.**

The Issuer hereby waives notice of dishonour, protest and presentment.

This Global Bond is issued and made and shall be payable within the island of Jamaica and shall be governed by, and construed in accordance with, the laws of Jamaica.

## IN THIS GLOBAL BOND:

Capitalized expressions not otherwise defined shall bear the meaning ascribed to these expressions in the Trust Deed and:

**“Agreed Rate”** means 10.90% per annum.

**“Business Day”** means any day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Jamaica.

**“Default Rate”** means the Agreed Rate plus 2.00% per annum on all unpaid and overdue amounts of principal, interest and fees.

**“Interest Payment Date”** means any day on which interest falls due on the Tranche VII Bonds, being:

- i. first interest payment due on \_\_\_\_\_, 2025, and thereafter interest shall be due on \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ each year until the Maturity Date; provided that the final Interest Payment Date shall be the Maturity Date; or
- ii. the date upon which interest is payable pursuant to acceleration.

**“Interest Period”** means in the first instance, the period commencing on [\_\_\_\_\_] and ending on and including the day immediately preceding the first Interest Payment Date and thereafter the period commencing on an Interest Payment Date and ending on and including the day immediately preceding the next Interest Payment Date, but in respect of the last Interest Period, commencing on the penultimate Interest Payment Date and continuing up to but excluding the Maturity Date.

**“JMD” or “J\$”** means Jamaican Dollars.

**“Maturity Date”** means the Maturity Date set out above on the face of the Global Bond or, if earlier, the date on which, by acceleration, prepayment or otherwise, the Principal Sum or balance thereof become due on the Global Bond.

**“Paying Agent”** means JCSD Trustee Services Limited or such other person duly appointed to provide paying agent services under the Trust Deed.

**“Payment Currency”** means JMD.

**“Payment Date”** means the Interest Payment Date, the Maturity Date, or any other date on which any payment on, or in respect of, the Tranche VII Bonds falls due for payment whether by acceleration or voluntary prepayment or otherwise as the case may be.

**“Tranche VII Bonds”** means the 10.90% Unsecured JMD Fixed Rate Bonds due \_\_\_\_\_, 2035.

**“Trust Deed”** means the Trust Deed dated as of the [ ] day of [\_\_\_\_\_], 2025 between the Issuer and JCSD Trustee Services Limited, as trustee.

IN WITNESS whereof, the Issuer has caused this Bond to be duly executed manually or in facsimile on its behalf.

**BARITA INVESTMENTS LIMITED**

By: \_\_\_\_\_ [seal]  
Director/Authorised Signatory

By: \_\_\_\_\_  
Director/Authorised Signatory

AUTHENTICATED without recourse, warranty or liability.  
JCSD Trustee Services Limited

By: \_\_\_\_\_  
(Authorised Signatory)

**ENDORSEMENTS**

(Endorsee should note the transfer restrictions referred to above. An endorsee should register change of ownership with the Trustee who maintains a Register of Bondholders.)

(1) Pay: \_\_\_\_\_  
[Name of Transferee]

(2) Pay: \_\_\_\_\_  
[Name of Transferee]

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:

Further endorsements may be made below or upon an allonge attached hereto.



The background of the entire image is a solid black. Scattered across this background are several translucent, teal-colored glass pyramids of various sizes. These pyramids are highly reflective, with bright highlights and dark shadows that emphasize their three-dimensional, faceted structure. One large pyramid is positioned in the upper right, another in the lower right, and a third in the lower left. A fourth, smaller pyramid is visible on the far right edge. The lighting creates a sense of depth and texture, making the glass appear sharp and crystalline.

# Barita

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