

# EPPLEY LIMITED

THIRD QUARTER 2021

**Eppley Limited**  
**Consolidated Statement of Comprehensive Income**  
*(Jamaican dollars in thousands)*

	Unaudited 9 months ended Sep. 30, 2021	Unaudited 9 months ended Sep. 30, 2020	Unaudited 3 months ended Sep. 30, 2021	Unaudited 3 months ended Sep. 30, 2020	Audited 12 months ended Dec. 31, 2020
<b>Net Investment Income</b>					
Interest Income	288,601	247,671	111,063	78,694	332,908
Interest expense	<u>(206,333)</u>	<u>(153,928)</u>	<u>(84,245)</u>	<u>(52,498)</u>	<u>(207,676)</u>
<b>Net interest income</b>	82,268	93,743	26,818	26,196	125,232
Asset management income	178,949	121,330	55,120	38,402	194,242
Other operating income	59,259	70,737	28,271	25,557	85,984
Administrative expenses	(148,642)	(130,711)	(49,171)	(44,140)	(190,162)
Net impairment of financial and contract assets	393	(27)	6	2	(939)
Share of net profit from joint venture	<u>21,729</u>	<u>11,010</u>	<u>21,729</u>	<u>11,010</u>	<u>10,817</u>
Profit before Taxation	193,956	166,082	82,773	57,027	225,174
Taxation	<u>(3,072)</u>	<u>(1,427)</u>	<u>(836)</u>	<u>579</u>	<u>168</u>
Net profit for the period	<u>190,884</u>	<u>164,655</u>	<u>81,937</u>	<u>57,606</u>	<u>225,342</u>
Other comprehensive income:					
<i>Items that will not be reclassified</i>					
Exchange differences on translation of foreign operations	6,863	2,575	(4,271)	(239)	2,589
Changes in fair value of equity investments at fair value through other comprehensive income	<u>(3,355)</u>	<u>19</u>	<u>-</u>	<u>3,854</u>	<u>43,346</u>
<b>Other comprehensive income/(loss) for the period, net of taxes</b>	<u>3,508</u>	<u>2,594</u>	<u>(4,271)</u>	<u>3,615</u>	<u>45,935</u>
<b>Total comprehensive income for the period, net of taxes</b>	<u><u>194,392</u></u>	<u><u>167,249</u></u>	<u><u>77,666</u></u>	<u><u>61,221</u></u>	<u><u>271,277</u></u>
<b>EARNINGS PER SHARE (3)</b>	<b>\$0.99</b>	<b>\$0.86</b>	<b>\$0.42</b>	<b>\$0.30</b>	<b>\$1.17</b>

**Eppley Limited**  
**Consolidated Statement of Financial Position**  
*(Jamaican dollars in thousands)*

	Unaudited Sep. 30, 2021	Unaudited Sep. 30, 2020	Audited Dec. 31, 2020
<b>ASSETS</b>			
Cash and deposits	853,164	489,823	680,589
Taxation recoverable	16,022	13,859	14,443
Other receivables	445,777	148,696	201,153
Insurance premium financing receivables	51,091	87,241	135,861
Loans receivable	1,289,363	1,597,786	1,452,154
Lease receivables	1,601,159	578,167	587,129
Investment securities	1,039,381	943,690	977,869
Investment in joint ventures	80,068	58,524	58,331
Deferred tax asset	15,251	10,037	15,251
Right-of-use-asset	2,578	979	1,069
Property, plant and equipment	11,752	19,197	17,433
	<b>5,405,606</b>	<b>3,947,999</b>	<b>4,141,282</b>
<b>LIABILITIES</b>			
Due to related parties	1,653	1,653	1,653
Taxation payable	2,505	1,271	5,010
Deferred tax liability	-	146	-
Borrowings	4,094,041	2,927,597	2,916,890
Lease liability	2,609	1,079	1,069
Other liabilities	280,475	109,123	212,661
	<b>4,381,283</b>	<b>3,040,869</b>	<b>3,137,283</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	492,343	492,343	492,343
Other reserves	8,755	1,878	1,892
Fair value reserves	56,756	16,784	60,111
Retained earnings	466,469	396,125	449,653
	<b>1,024,323</b>	<b>907,130</b>	<b>1,003,999</b>
	<b>5,405,606</b>	<b>3,947,999</b>	<b>4,141,282</b>

**Approved by the Board of Directors on November 12, 2021, and signed on its behalf by:**



**Paul. B. Scott**  
**Chairman**



**Nicholas A. Scott**  
**Managing Director**

**Eppley Limited**  
**Consolidated Statement of Changes in Equity**  
*(Jamaican dollars in thousands)*

	<b>Share Capital</b>	<b>Fair value Reserves</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 31 December 2019</b>	492,343	16,765	(697)	355,497	863,908
Net Profit for the period	-	-	-	164,655	164,655
Other comprehensive income for the period	-	19	2,575	-	2,594
Total comprehensive income for the period	-	19	2,575	164,655	167,249
Dividends	-	-	-	(124,027)	(124,027)
<b>Balance as at 30 September 2020</b>	<b>492,343</b>	<b>16,784</b>	<b>1,878</b>	<b>396,125</b>	<b>907,130</b>
<b>Balance as at 31 December 2020</b>	<b>492,343</b>	<b>60,111</b>	<b>1,892</b>	<b>449,653</b>	<b>1,003,999</b>
Net Profit for the period	-	-	-	190,884	190,884
Other comprehensive income for the period	-	(3,355)	6,863	-	3,508
Total comprehensive income for the period	-	(3,355)	6,863	190,884	194,392
Dividends	-	-	-	(174,068)	(174,068)
<b>Balance as at 30 September 2021</b>	<b>492,343</b>	<b>56,756</b>	<b>8,755</b>	<b>466,469</b>	<b>1,024,323</b>

**Eppley Limited**  
**Consolidated Statement of Cash Flows**  
*(Jamaican dollars in thousands)*

	Unaudited 9 months ended Sep. 30, 2021	Unaudited 9 months ended Sep. 30, 2020	Audited 12 months ended Dec. 31, 2020
<b>Cash Flows from Operating Activities</b>			
Net profit	190,884	164,655	225,342
Adjustments for items not affecting cash:			
Depreciation	6,415	5,776	8,167
Amortisation	3,830	2,953	3,968
Interest income	(288,601)	(247,671)	(332,908)
Dividend income	(25,480)	(104)	(2,660)
Interest expense	206,333	153,928	207,676
Unrealised loss on investment securities	11,209	2,979	11,171
Expected credit loss	(393)	27	939
Gain on disposal of property, plant and equipment	-	(1,373)	(1,373)
Exchange gains on foreign currency denominated balances	(35,127)	(48,950)	(55,560)
Share of profits from joint venture	(21,729)	(11,011)	(10,817)
Taxation	3,072	1,427	(168)
	<b>50,413</b>	<b>22,636</b>	<b>53,777</b>
<b>Changes in non-cash working capital components:</b>			
Other receivables	(295,594)	(9,874)	(81,389)
Insurance premium financing receivables	87,533	71,974	21,837
Loans receivable	187,685	(950)	148,878
Lease receivables	(1,013,452)	(74,974)	(83,866)
Interest received	289,836	245,041	329,329
Dividend received	25,480	104	2,660
Other liabilities	64,782	(65,082)	35,934
	<b>(603,317)</b>	<b>188,875</b>	<b>427,160</b>
Tax withheld at source	(1,579)	(1,573)	(2,157)
Tax paid	(5,880)	(2,734)	(2,733)
Interest paid	(179,318)	(144,789)	(188,651)
<b>Net cash (used in)/provided by operating activities</b>	<b>(790,094)</b>	<b>39,779</b>	<b>233,619</b>

**Eppley Limited**  
**Consolidated Statement of Cash Flows (Cont'd)**  
*(Jamaican dollars in thousands)*

	<b>Unaudited 9 months ended Sep. 30, 2021</b>	<b>Unaudited 9 months ended Sep. 30, 2020</b>	<b>Audited 12 months ended Dec. 31, 2020</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of investments	(45,227)	-	-
Proceeds from sale of investments	-	28,161	86,575
Additions to property, plant and equipment	(734)	(13,038)	(13,664)
Proceeds from sale of property, plant and equipment	-	1,373	1,373
<b>Net cash (used in)/provided by investing activities</b>	<b>(45,961)</b>	<b>16,496</b>	<b>74,284</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid	(174,068)	(124,027)	(131,186)
Lease liability repaid	(3,830)	(3,227)	(4,337)
Loans received	2,394,741	572,484	572,484
Loans repaid	(1,247,491)	(533,551)	(540,269)
<b>Net cash provided/(used in) by financing activities</b>	<b>969,352</b>	<b>(88,321)</b>	<b>(103,308)</b>
Increase/(Decrease) in net cash balance	133,297	(32,046)	204,595
Effects of foreign exchange rates changes on cash and cash equivalents	38,044	(106)	12,432
<b>Cash and cash equivalents at beginning of year</b>	<b>680,364</b>	<b>463,337</b>	<b>463,337</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>851,705</b>	<b>431,185</b>	<b>680,364</b>

### **Ten Largest Shareholders**

*(at September 30, 2021)*

Stony Hill Capital Limited	48,097,800
ATL Group Pension Fund Trustees Nom Ltd.	38,428,635
Caribprop Limited	27,500,000
Perseverance Limited	23,353,134
Coldharbour Partners Inc.	14,744,350
Curmudgeon Limited	8,284,000
Michael Subratie	8,243,606
Ravers Limited	5,348,700
Caona Investments Limited	3,000,000
Imperium Investments Holdings Limited	1,439,575

### **Shareholdings of Directors**

*(at September 30, 2021)*

	Direct	Connected *
Alexander Melville	-	-
Byron Thompson	483,750	-
Jennifer Scott	-	23,786,884
Keith Collister	-	38,428,635
Maxim Rochester	956,850	-
Melanie Subratie	-	59,778,156
Nicholas Scott	-	23,465,100
P.B. Scott	-	99,387,684
Sharon Donaldson	868,074	1,304,824

### **Shareholdings of Executives**

*(at September 30, 2021)*

	Direct	Connected *
Jacquelin Watson	1,024,650	-
Justin Nam	851,420	-

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\* Includes connections by virtue of directorships and other affiliations in addition to indirect shareholdings.

### 1. Identification and Activities

Eppley Limited is a limited liability company incorporated and domiciled in Jamaica. The company is listed on the Main Market of the Jamaica Stock Exchange. The registered office of the company is located at 58 Half Way Tree Road, Kingston 10.

The principal activity of the company is investing in credit products including insurance premium financing, lease and loan financing and providing asset management services.

### 2. Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2020. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

### 3. Earnings Per Share

	<b>Unaudited 9 months ended Sep. 30, 2021</b>	<b>Unaudited 9 months ended Sep. 30, 2020</b>	<b>Audited 12 months ended Dec. 31, 2020</b>
Net profit attributable to shareholders (\$'000)	190,884	164,655	225,342
Weighted average number of shares outstanding ('000)	<u>192,468</u>	<u>192,468</u>	<u>192,468</u>
<b>Earnings per share (\$)</b>	<b>0.99</b>	<b>0.86</b>	<b>1.17</b>

## Cash and Cash Equivalents

	<b>Unaudited 9 months ended Sep. 30, 2021</b>	<b>Unaudited 9 months ended Sep. 30, 2020</b>	<b>Audited 12 months ended Dec. 31, 2020</b>
Cash and bank balances	419,556	297,871	334,420
Term deposits	433,608	191,952	215,716
	<u>853,164</u>	<u>489,823</u>	<u>550,136</u>
Less: term deposits with maturity period in excess of ninety days	-	(57,466)	(84,443)
Less: interest receivable	(1,459)	(1,172)	(2,356)
	<u>851,705</u>	<u>431,885</u>	<u>463,337</u>