Sagicor

REAL ESTATE X FUND

2020

ANNUAL REPORT

Contents

ABOUT SAGICOR REAL ESTATE X FUND

Sagicor Real Estate X Fund Limited ("X Fund" or "the Group"), a St. Lucian International Business Company and subsidiary of Sagicor Group Jamaica Limited (SJ), is the largest publicly traded real estate investment company in Jamaica on the Jamaica Stock Exchange ("JSE").

During 2020 we held our position as a leading private sector investor in the tourism real estate market through our expanded geographical reach with our engagement with Playa Hotels & Resorts N.V. ("Playa"), allowing us to maintain focus on tourism while diversifying our underlying portfolio of assets across the Caribbean and Latin America.

Our wholly-owned subsidiary, X Fund Properties Limited, disposed of our interest in Jewel Grande Montego Bay ("Jewel Grande") during the year.

We continue to maintain direct ownership of the DoubleTree by the Hilton at the Entrance to Universal Orlando ("DTO") in Florida through our wholly-owned subsidiary X Fund Properties LLC. Also, we maintain an investment in the Sigma Real Estate Portfolio, which provides exposure to commercial real estate in Jamaica.

- TOURISM PROPERTIES
- OFFICE/RETAIL BUSINESS
- INDUSTRIAL PROPERTIES
- DEVELOPMENT LAND

STATEMENT OF THE CHAIRMAN AND CEO

Christopher Zacca
Chairman

Brenda-Lee Martin
Chief Executive Officer

On behalf of the Board of Directors, we present the performance and activities of Sagicor Real Estate X Fund Limited for the year ended December 31, 2020.

The onset of the COVID-19 pandemic in the first quarter of 2020 brought significant challenges to the Group in light of its substantial investment in Tourism properties through the indirect ownership of Playa shares, as well as its direct holdings in Jewel Grande Montego Bay in Jamaica and DoubleTree in Orlando, USA. During 2020, the Tourism Sector and Global Travel were among the hardest hit industries as we witnessed the closure of borders worldwide and the consequent downturn in tourism arrivals and leisure activities. This severely impacted the ability of the Group to generate revenues, and also negatively impacted the value of its assets. The Group therefore shifted its focus to the preservation of cash to meet business needs. The planned expansion of the conference facilities at Double Tree was put on indefinite hold and at the end of September 2020, we sold our interest in Jewel Grande which further provided liquidity to pay out maturing debt.

These strategic moves enabled the Group to remain resilient during the year as we adjusted our business model to outmanoeuvre the effects of the pandemic. Post year-end we subsequently sold our interest in Playa. In early January 2021, Jamziv Mobay Jamaica Portfolio Limited (Jamziv) disposed of its 20,000,000 ordinary shares in Playa Hotels & Resorts N.V. for which it received net inflows of US$96 million. The X Fund Group owns a 61% stake in Jamziv.

DURING 2020, THE TOURISM SECTOR AND GLOBAL TRAVEL WERE AMONG THE HARDEST HIT INDUSTRIES AS WE WITNESSED THE CLOSURE OF BORDERS WORLDWIDE AND THE CONSEQUENT DOWNTURN IN TOURISM ARRIVALS AND LEISURE ACTIVITIES.

Outlook

The International Monetary Fund (IMF) has revised its forecast for global economic growth in 2021 to 5.5%, which is higher than its previous projection in October. The IMF further explains that the reason for the upgrade stems from the positive effects of the COVID-19 vaccination programmes in some countries, additional fiscal support in the USA and at least a partial return to business and consumer normality over time.

The outlook for the X Fund Group remains positive. With the sluggish recovery of international tourism, many countries like the USA have turned to domestic tourism. The performance of DoubleTree in Orlando has improved significantly for transient business, while group business remains fairly low with an anticipated uptick commencing around Q4 2021.

The strong inflow of liquidity from the sale of the Playa shares will be redeployed into real estate investment opportunities not focused solely on Tourism, but in other viable commercial ventures as well. We have begun to assess these opportunities and will keep you, our shareholders, informed as we finalise these key ventures.

We remain committed to the health and wellness of our team, clients and stakeholders and have implemented a multidimensional approach to safeguard health, minimise risks and ensure business continuity, as we continue to monitor the potential impact of COVID-19 and manage our businesses accordingly.

We take this opportunity to thank all of our stakeholders for their continued confidence in us and investment in our company, as we remain committed to improving the quality of Sagicor Real Estate X Fund's portfolio and generating continued positive growth for the future.

Christopher Zacca
Chairman

Brenda-Lee Martin
Chief Executive Officer

2021 Global Economic Growth Forecast

5.5%

The IMF has revised its forecast for global economic growth to higher than its previous projection in October.

Net Inflows from Sale of Ordinary Shares in Playa Hotels

US$ 96 million

THE STRONG INFLOW OF LIQUIDITY FROM THE SALE OF THE PLAYA SHARES WILL BE REDEPLOYED INTO REAL ESTATE INVESTMENT OPPORTUNITIES NOT FOCUSED SOLELY ON TOURISM.

NOTICE OF ANNUAL GENERAL MEETING

THE BOARD IS COMMITTED TO MAINTAINING HIGH STANDARDS OF CORPORATE DISCLOSURE AND TRANSPARENCY.

NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING of the Company will be held at McNamara Corporate Services Inc., Bella Rosa Road, Gros Islet, Saint Lucia on Friday, July 23, 2021 at 11:00 a.m. and accommodated virtually to consider and if thought fit pass the following Resolutions:

1. To receive the Audited Accounts and Reports of the Directors and Auditors for the year ended December 31, 2020.

Resolution No. 1

"THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2020 be and are hereby adopted."

2. To elect Directors:

Resolution No. 2

"That the election of directors be made en bloc."

Resolution No.3

"THAT Messrs. Christopher Zacca, Colin Steele and Bruce James who retire by rotation and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the Company en bloc."

3. To fix the remuneration of the Directors

Resolution No. 4

"THAT the amount of $16,475,876.19 included in the Audited Accounts of the Company for the year ended December 31, 2020 as remuneration for their services as Directors be and is hereby approved."

4. To appoint the Auditors and authorise the Directors to fix the remuneration of the Auditors.

Resolution No. 5

"THAT Grant Thornton, Chartered Accountants, having agreed to continue in office as Auditors, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

Dated the 30th day of April 2021

BY THE ORDER OF THE BOARD

MCSI Inc.
Corporate Secretary

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. Proxy Forms must be lodged with the Company Secretary, MCSI Inc. at its registered offices at 20 Micoud Street, Castries, St. Lucia not less than 48 hours before the time of the meeting.

A Form of Proxy is enclosed for your convenience.

DIRECTORS' REPORT

The Directors are pleased to submit their Report and the Audited Financial Statements for the year ended December 31, 2020. The Financial Statements reflect the results of Sagicor Real Estate X Fund Limited (X Fund).

	2020 J$000's	2019 J$000's
Operating Results:		
Group Profit before tax	(15,590,121)	258,153
Taxation	201,719	(335,129)
Net Loss after tax	(15,388,402)	(76,976)
Attributable to Stockholders of the Company	(9,987,059)	(38,310)
Attributable to Non-Controlling Interest	(5,401,343)	(38,666)
Stockholders' Equity:		
Stockholders' equity brought forward	25,540,966	25,053,720
Share Capital, opening	12,642,512	12,642,512
Shares issued	-	-
Share Capital, ending	12,642,512	12,642,512
Retained earnings, opening	8,845,934	8,884,244
Net loss	(9,987,059)	(38,310)
Transfer between reserves	9,243	-
Retained earnings, ending	(1,131,882)	8,845,934
Currency translation, opening	989,864	47,600
Currency reserve	1,959,898	942,264
Currency translation, ending	2,949,762	989,864
Fair value reserves, opening	3,062,656	3,479,364
Unrealised loss on revaluation of owner occupied properties"	(2,272,148)	(157,210)
Transfer between reserves	(9,243)	-
Changes in reserves of associated company	(72,476)	(259,498)
Fair value reserves, closing	708,789	3,062,656
Stockholders' equity carried forward	15,169,181	25,540,966
Non-Controlling Interest	6,210,019	10,944,404

Directors

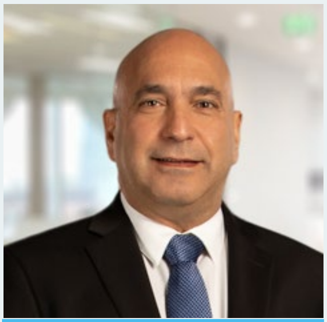
Article 102 provides that one-third of the directors shall retire from office at each Annual General Meeting. Directors Christopher Zacca, Colin Steele and Bruce James retire under this Article and, being eligible, offer themselves for re-election.

Auditors

The auditing firm Grant Thornton has agreed to continue in office as Auditors for another year. A resolution authorizing the Directors to appoint and fix the remuneration of the Auditors will be presented at the Annual General Meeting.

Chairman
April 19, 2021

BOARD OF DIRECTORS



Christopher Zacca B.Sc., M.B.A., CD, J.P.

Mr. Christopher Zacca is the President & CEO of Sagicor Group Jamaica Limited and a Director of all Sagicor Group Jamaica member companies. He is an astute businessman with a wealth of business and management experience in both the public and private sectors spanning over three decades. He is highly respected in the private sector where he has held senior management positions at Desnoes and Geddes, ATL Group, Air Jamaica Ltd., and served as President of the Private Sector Organisation of Jamaica.

His track record in public sector service is equally impressive, having served as special advisor to the Prime Minister from 2009 to 2011. He is a former Chairman of the Development Bank of Jamaica and the National Health Fund. Mr. Zacca holds an M.B.A. from the University of Florida and a B.Sc. in Engineering from the Massachusetts Institute of Technology.

Dr. Dodridge Miller FCCA M.B.A., LLM, Hon. LLD

Dr. Dodridge Miller was appointed Group President and Chief Executive Officer of Sagicor Financial Corporation Limited in July 2002 and is a Director of Sagicor Group Jamaica Limited. A citizen of Barbados, Dr. Miller is a Fellow of the Association of Chartered Certified Accountants (ACCA) and obtained his M.B.A. from the University of Wales and Manchester Business School. He holds an LLM in Corporate and Commercial Law from the University of the West Indies and, in October 2008, he was conferred with an Honorary Doctor of Laws degree by the University of the West Indies. He has more than 30 years' experience in the banking, insurance and financial services industries.

Michael Fraser J.P., CLU

Mr. Fraser is a Chartered Life Underwriter who has worked in the insurance industry in Jamaica for several years. He served as President and Chief Executive Officer of Island Life Insurance Company Limited and Deputy Chief Executive Officer and Chief Marketing Officer of Sagicor Life Jamaica Limited. He is a Director of Sagicor Life of the Cayman Islands Limited and is a Director of Sagicor Insurance Brokers Limited. He also serves as a consultant with Sagicor Life Jamaica Limited.

He is a Past President of the Life Underwriters' Association of Jamaica and, in 1999, was voted "Insurance Man of the Year" by the Association. In 2005, he was inducted into the Caribbean Insurance Hall of Fame. He is also Vice Chairman of The Jamaica Cancer Society and Chairman of The Jamaica Medical Foundation.

Stephen McNamara Barrister-at-law

Stephen McNamara was called to the Bar at Lincoln's Inn, and in St Lucia in 1972. He is the senior partner of McNamara & Company, Attorneys-at-Law of St. Lucia. The barrister/solicitor specialises in the representation of foreign investors in St Lucia in the Tourism, Manufacturing and Banking sectors. He served as Chairman of the St Lucia Tourist Board for nine years. He was appointed Non-Executive Chairman of Sagicor Financial Corporation, the Group's holding company, on 1st January 2010, having formally served as Vice Chairman since June 2007, and is the Chairman of the Group's main operating subsidiary Sagicor Life Inc. and also of Sagicor USA and a number of other subsidiaries within the Group.

Mr. McNamara's St Lucia-based service includes the Board of St Lucia Electricity Services Ltd, where he was elected as the Chairman in December 2015, and served until his retirement at the end of 2017. He is also the President of the St Lucia Tennis Association.

Mr. McNamara was made a Commander of the Order of the British Empire (CBE) in the 2015 Queen's Birthday Honours for public service and services to the legal profession. In 2015 he was awarded an honorary doctorate from the University of the West Indies for his outstanding achievements and contribution to the region in the areas of business, sport and general philanthropy for more than forty years.

Peter W. Pearson B.Sc., FCCA, FCA, J.P.

Mr. Pearson is a graduate of Cornwall College and a graduate of the University of the West Indies from which he holds a B.Sc. (Management Studies). He is a Fellow of the Institute of Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants. A former partner of PricewaterhouseCoopers, Jamaica, he oversaw the firm's Montego Bay office. He has significant experience in public accounting in tourism and hospitality, banking, government, among other industries. Mr. Pearson is a director and audit committee member of several companies, including two that are listed on the Jamaica Stock Exchange. He has been a Justice of the Peace since 1988.

Vinay Walia Bachelor of Commerce A.C.C.A.

Mr. Walia is the Managing Director of Guardsman Group and serves on the Board of Directors. He joined Guardsman Group as Financial Controller in 1998, before being promoted to Financial Director in 2000 and Co-Managing Director in 2012 and appointed Managing Director in 2016. His responsibilities include providing financial leadership to the Group and its subsidiaries, driving and supporting key strategic growth and profitability initiatives, as well as ensuring full compliance with government and industry regulations, and corporate policies. Prior to joining Guardsman Group, Mr. Walia had a reputable career in accounting and auditing, first with A.F. Ferguson & Co. (a representative of KPMG Peat Marwick in India), and later with KPMG Peat Marwick in Jamaica. He is a Chartered Certified Accountant (ACCA) and holds a Bachelor of Commerce degree with Honours from Delhi University.

Board of Directors (cont'd)

Bruce R.V. James B.Sc., M.B.A.

Mr. James has over 15 years of experience in banking and has held many senior positions at Citibank N.A. Jamaica branch, including Vice President in charge of Corporate Banking and Relationship Management. His expertise includes Risk Management and Analysis, marketing of Credit products, Relationship Management and Leadership. He is the President and co-founder of the MVP Track and Field Club, and President of the Shelly-Ann Fraser-Pryce Pocket Rocket Foundation. Bruce is a professional track and field analyst across various media, including television and radio. He is also an international motivational speaker.

Colin Steele BBA, CPA, M.B.A.

Mr. Steele is the chairman of Sagicor Select Funds Limited and is an entrepreneur in the retail business and a housing developer who began his career as a Certified Public Accountant. He is experienced in lending, capital markets and investment banking. Colin has served as a Director of several Government companies, including the Port Authority of Jamaica and the University Hospital of the West Indies. He also served as Chairman of the Economic Policy Committee of the Private Sector Organisation of Jamaica.

CHIEF EXECUTIVE OFFICER

Brenda-Lee Martin B.Sc., M.B.A. (Finance)

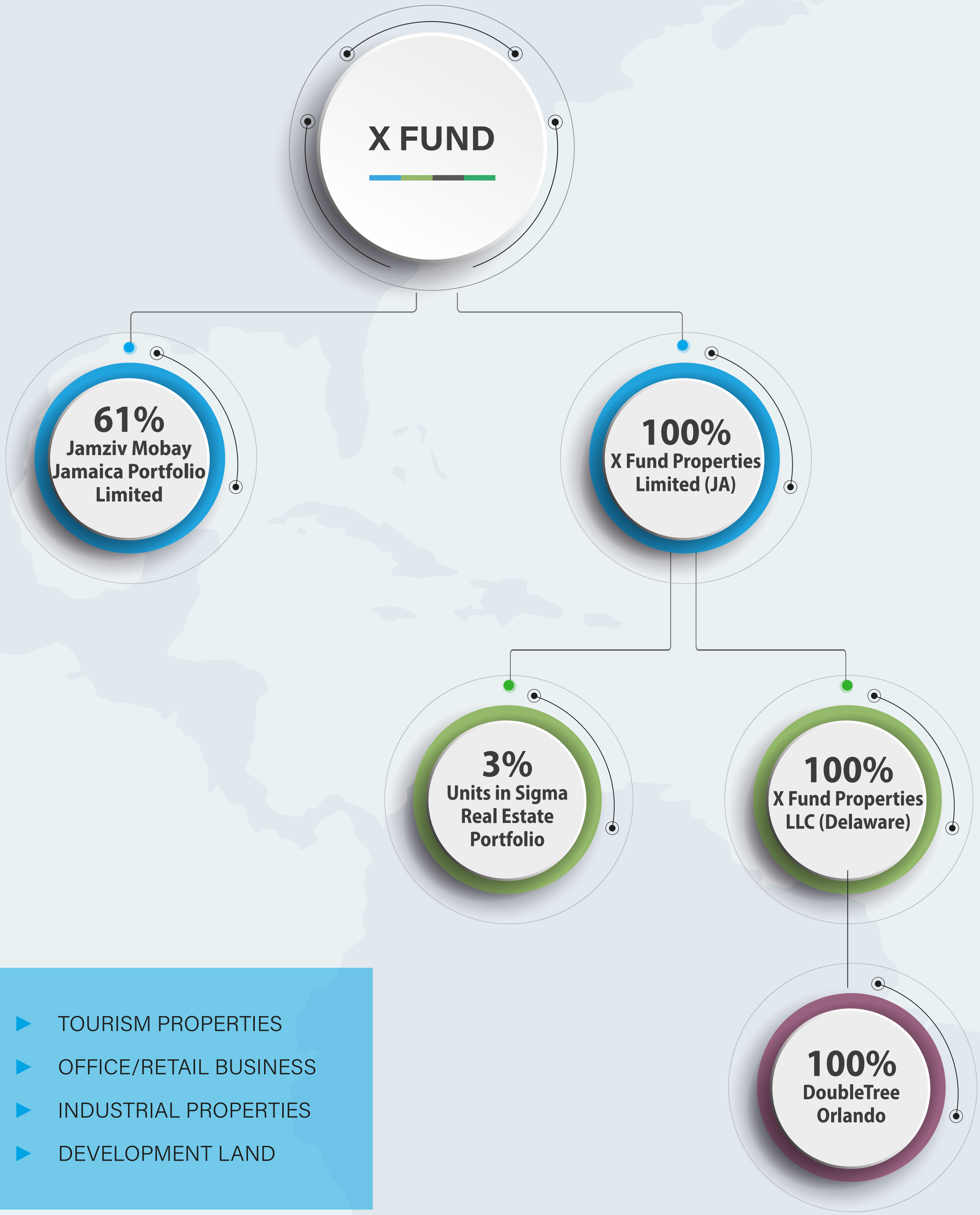
Brenda-Lee Martin was appointed Chief Executive Officer of Sagicor Real Estate X Fund Limited in 2018. She joined Sagicor Group Jamaica in December 1992 where she has served in numerous capacities.

Brenda-Lee has a wealth of experience in Investment Management, and was appointed Vice President – Asset Management in 2015.

In addition to Sagicor's pension and mortgage portfolios, she has oversight of Sagicor Property Services Limited (SPS), the largest property managers of private real estate in Jamaica (on behalf of Sagicor and third party property owners). SPS currently manages in excess of 6M sq. feet of real estate.

Brenda-Lee holds a Bachelor of Science Degree from the University of the West Indies, Mona in Economics & Management as well as a Master's of Business Administration degree specializing in Finance from the University of Wales and Manchester Business School. She also holds an FLMI LOMA designation.

CORPORATE STRUCTURE



- TOURISM PROPERTIES
- OFFICE/RETAIL BUSINESS
- INDUSTRIAL PROPERTIES
- DEVELOPMENT LAND

DOUBLETREE by Hilton™ AT THE ENTRANCE TO UNIVERSAL ORLANDO

The DoubleTree by Hilton at the Entrance to Universal Orlando, the famed two-towered high rise, is within walking distance of Universal Orlando, a short drive to the Orlando Convention Center, and ideally located close to the world-renowned Walt Disney World, SeaWorld, shopping, nightlife, and other famous attractions.

742
Guest Rooms

19
Guest Suites

Amenities and Services include:

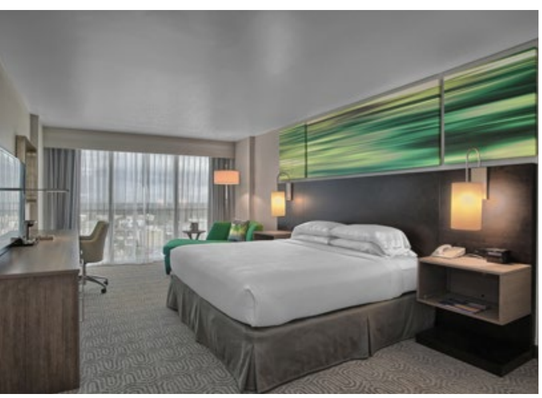
- 742 oversized guest rooms and 19 suites with spectacular panoramic views of Universal Orlando and beyond, each with high-end features and furnishings. Rooms include: plush-top king or queen beds, standard complimentary high-speed Internet, dual-line phones with voicemail, coffee service, ironing station, in-room safe, and 50″ Cable TV with premium channels
- Junior Olympic-sized outdoor pool, kids splash zone, jacuzzi and courtyard with comfortable seating
- Over 63,000 square feet of refreshed flexible indoor/outdoor meeting space, including over 19,500 square feet of exhibit space
- Smoke-free and pet-free (except for service animals)
- Four on-site food & beverage outlets; full-service Starbucks with indoor seating, Sunshine Café featuring a full breakfast buffet, hand-made pizza at Pizza Burger, offering a variety of quick bites, and American Grill with a wide variety of American cuisine, refreshing cocktails, and more.
- In-room dining (currently not in operation)
- Modern check-in kiosks in the lobby
- Complimentary Internet in common areas
- Fitness centre with Precor equipment
- Game Room featuring the newest arcade games
- Official Universal Desk for attraction tickets and information to Universal Orlando® and SeaWorld Orlando®
- A walkway/skyway bridge from the hotel parking lot to the front steps of Universal Orlando Resort, ensuring guests' safety while walking to the theme park
- Complimentary scheduled shuttle service to Universal Orlando Resort and SeaWorld. Paid shuttle service available to Walt Disney World Resort®
- Connectivity zone with free high-speed WiFi and business services
- Avis Car Rental on site
- UPS Store on site
- Sunshine Café, newly renovated at the value of US$1 million
- Same-day valet dry cleaning and laundry
- Valet or self-service parking
- Located within 20 minutes of Orlando International Airport and 10 minutes from Orange County Convention Center
- Accessibility features to guest rooms, restaurants, business centre and most common areas

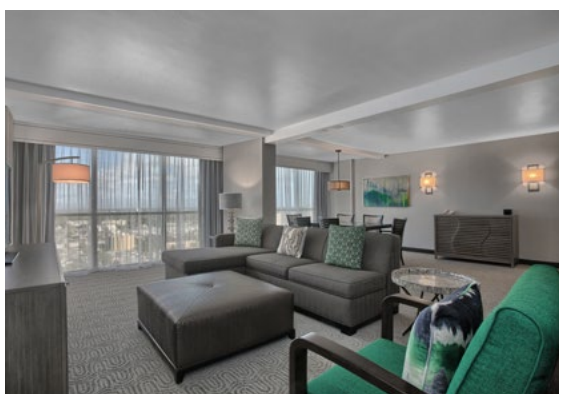
2020 REVIEW:

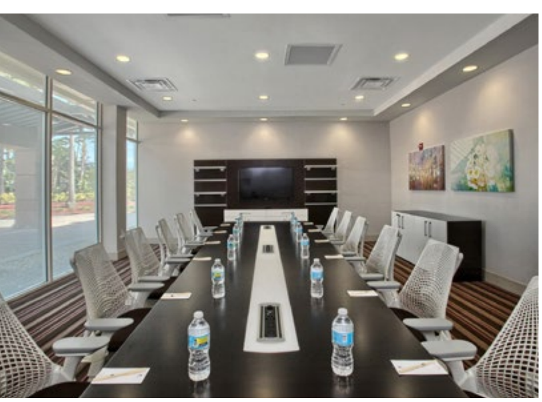
The onset of the COVID-19 pandemic in early 2020 caused an immediate and significant disruption to the tourism and travel industry. The hotel staff complement decreased from three hundred employees to twenty-two within two weeks. In April and May, there was minimal hotel business in Orlando and hotel operations were maintained with only five employees per day. June ushered in a slow rebound and during June through to December the team slowly rebuilt staffing models and mined for opportunities. For the period June 2020 to February 2021 the hotel achieved #1 in Revenue Per Available Room among its competitive set which included five hotel properties, comparable in size and located close to attractions/parks in the Orlando area.

During this period, also, to lower expenses, the hotel re-negotiated many of the service contracts. In January 2021, the four-year Collective Bargaining Agreement with the local union, 'Unite Here', expired at which time a new four-year agreement was negotiated without the assistance of a labor attorney, furthering the effort to reduce expenses.

The hotel has changed its sales team's focus to target new and repeat businesses; first implemented on the transient drive market: Tampa, Miami, Jacksonville, southern Georgia, etc.







New business is now on the increase beginning with FEMA, which utilizes the hotel's main ballroom as a centralized hub to organize and dispatch vaccines to vaccine sites.

SPRING BREAK 2021 ALLOWED ORLANDO TO EXPLODE WITH TRANSIENT BUSINESS, AND DEMAND LOOKS TO REMAIN STRONG THROUGH THE SUMMER MONTHS. THE HOTEL'S BIGGEST CHALLENGE CURRENTLY IS STAFFING TO KEEP PACE WITH THE HOSPITALITY INDUSTRY'S COVID-19 REBOUND.

To garner conference centre business, a full-time Catering Sales Manager focuses on social markets, small meetings, and weddings.

Groups that were scheduled to meet during the COVID-19 shutdown are being offered the option of meeting in the 3rd quarter of 2021 or beyond.

As of now, group business is showing a return to normalcy with summer showing a slight increase in bookings for group rooms.

"

GREAT LOCATION AND STAFF!

FRIENDLY, CLOSE WALK TO UNIVERSAL, CLEAN, AMAZING BREAKFAST, AND GREAT OVERALL. EVEN THE GUESTS WERE FRIENDLY, HAHA! WE HAD AN AMAZING TIME AND ENJOYED OUR STAY. WE STAYED DURING THE UNIVERSAL RACES WEEKEND AND IT WAS VERY CONVENIENT EVERY EARLY MORNING TO GET THERE AND BACK!"

JackieSRM
Feb 2020
Trip Advisor rating of 5

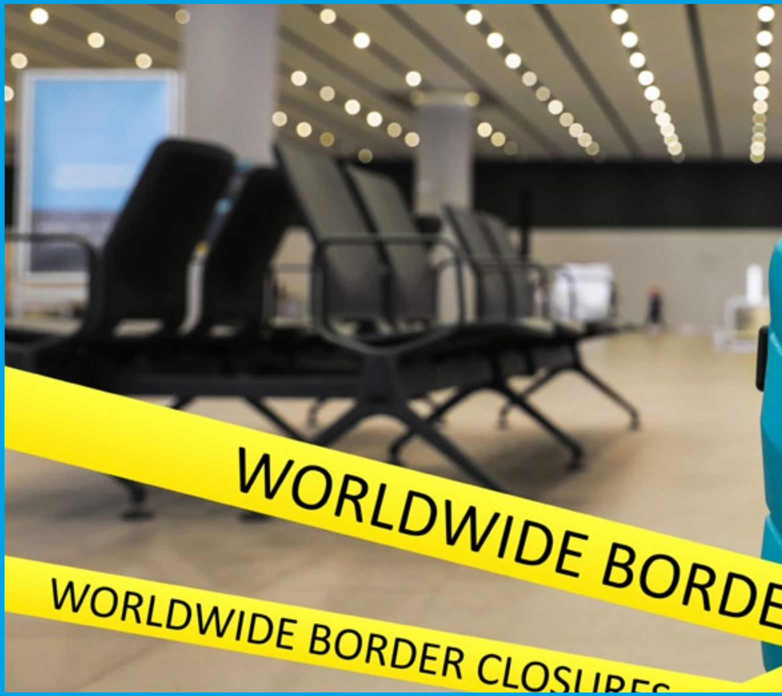
MANAGEMENT'S DISCUSSION & ANALYSIS

GLOBAL ECONOMY

The novel coronavirus (COVID-19) pandemic caused 2020 to be a monumental year for the global economy, which saw declines comparable to the Great Depression. The pandemic disrupted financial markets and adversely impacted all asset classes. Efforts to contain the virus triggered low yields for fixed income products, a decline across stock markets globally, and an unprecedented collapse in the demand for oil and its prices.

Countries imposed stringent measures throughout 2020 causing economic activity to contract dramatically on a global scale. The past year was characterized by rising unemployment, increased demand and pressure on health care systems, loss of trade and tourism due to travel restrictions, subdued capital flows and tight financial conditions.

By Q4, countries attempted to rebound from the effects of the pandemic. Some have achieved success, but this has been tempered by the discovery of additional strains of the virus, along with delays in the production and distribution of the required volume of vaccines. Uncertainty about the duration of the pandemic continues to fuel overall risk and volatility across financial markets.



Pre-COVID global growth was projected to increase by 3.3% in 2020 coming from a 2.9% increase in 2019. As the pandemic began to have debilitating effects, the IMF revised its forecasts downward to -4.9%, reflecting the rapidly deteriorating state of the global economy which was dubbed the "The Great Lockdown". Global output for 2020 was in line with the revised forecast as a decline of 4.4% was recorded.

According to the IMF, advanced economies[1] declined by an average 4.9% in 2020. The United States and Euro Area's GDP fell by 3.4% and 7.2%, respectively. Globally, China was the only country to record growth during this period of 2.3%, albeit lower than the projected growth of 6%. Vaccine approvals and the commencement of worldwide distribution became a catalyst for change in the economic trajectory and augured well for consumer and investor sentiment. Subsequently, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. However, new COVID-19 spikes, higher infection rates and re-enforcement of lockdown measures, again tempered the outlook.

JAMAICAN ECONOMY

The Jamaican economy recorded a 10.2% decline in GDP. This decline is attributable to the impact of the COVID-19 pandemic which had a crippling effect on the economy, with the tourist and entertainment industries being the hardest hit sectors. With borders closed to mitigate the spread of the virus, there were no tourist arrivals for the months of April and May. Stopover visitor arrivals for the January to October period decreased by 66.3%, with 740,827 stopovers compared to 2,197,022 for the same period in 2019. This led to a significant reduction of US Dollar inflows in the financial market.

Total Revenue

2.58 billion

(6.30 billion in 2019)

Total Assets

32.0 billion

(49.22 billion in 2019)

Stockholders' Equity

15.17 billion

(25.54 billion in 2019)

Market Capitalisation

18.50 billion

(22.43 billion in 2019)

[1] According to the IMF World Economic Outlook report, the advanced economies include – Unites States, the Euro Area (Germany, France, Italy and Spain), Japan, United Kingdom, Canada, and "other advanced economies".

The target range of 4-6% for inflation as set by the Bank of Jamaica (BOJ) was breached in Q4 of 2020 due to the impact of heavy rainfall on agricultural supplies and prices. The BOJ maintained an accommodative monetary policy stance to support economic recovery. The central bank kept its key policy rate at 0.5% throughout 2020 based on their assessment that inflation will continue to trend within the Bank's inflation target of 4-6% over the next two years. Despite the numerous market interventions by the BOJ in December 2020, Net International Reserves (NIR) remained buoyant with a month-over-month increase of US$163M or 6% to stand at US$3.12B.

Interest rates declined throughout 2020, with the average yields on 90-day and 180-day GOJ Treasury Bills (T-Bills) for December 2020 being 0.77% and 0.86% respectively, representing a decline relative to the same period last year. Labour market conditions declined with the unemployment rate at October 2020 rising to 10.7% from 7.2% in October 2019, mainly due to loss of jobs during the pandemic.

Net International Reserves

US$3.12 billion

($3.2 billion in 2019)

Gross Debt to GDP

101%

(93.9% in 2019)

THE LARGEST FISCAL STIMULUS PACKAGE IN JAMAICA'S HISTORY AMOUNTING TO $25 MILLION WAS DEPLOYED TO CUSHION THE IMPACT OF THE PANDEMIC

In fiscal year 2020/21, government revenues for the period April to September were up 3.9%, with a notable 9.6% increase in grants as the largest fiscal stimulus package in Jamaica's history amounting to $25 million was deployed to cushion the impact of the pandemic. Jamaica is estimated to record a budget deficit of more than 3% of GDP in 2020, in sharp contrast to surpluses of 1.4% of GDP in 2019 and 1.3% in 2018. Government gross debt increased to more than 101% of GDP in 2020, up from 93.9% in 2019, but still far below the annual average of 136.5% from 2008 to 2015.

The equities market was hit hard by the COVID-19 pandemic and despite a rebound in Q4 2020, the markets closed lower than a similar period for 2019. For the financial year ending December 31, 2020 all major indices suffered losses. The JSE Select Index and the JSE Financial Index suffered the largest declines of 25.9% and 26.2%, respectively for the year. The JSE Cross-Listed index however only realized a -0.4% loss for the year 2020.

In response to the COVID-19 pandemic, which saw a shutdown of major industries during the first quarter of the fiscal year, the BOJ revised the real economic growth forecast from 1.2% at the time of budget to -5.1% in May 2020. This was further revised downwards to -7.9% in August 2020. Growth in the first quarter of FY 2020/21 was estimated at -18.0%, led by an expected decline in the Mining and Quarrying industry associated with the closure of Alpart, as well as an 87.5% contraction in the tourism industry, both of which led to Jamaica registering negative growth for 2020.

Key Economic Statistics:

- Decline in Real Gross Domestic Product (GDP) was estimated at 10.2% for the 12-month period to December 2020 compared to growth of 0.9% in 2019.
- The average savings rate (domestic currency) declined to 1.09% in December 2020 relative to 1.19% at the end of December 2019.
- The 6-month Treasury Bill rate decreased by 74 bps to 0.86%. The rate at December 2019 was 1.60%.
- The average lending rate declined to 11.80% at the end of December 2020 from 12.47% at the end of December 2019.
- Inflation ended the 12-month period to December 2020 at 5.2%, down from 6.2% in 2019.
- The Jamaica Stock Exchange Main Index declined by 22% to close at 395,614.93 points. The market advanced by 34% in 2019.
- The Jamaican dollar depreciated by 7.6% against the US$ during 2020, versus 3.5% in 2019. The weighted average daily selling price was $142.65 as at December 31, 2020.
- The unemployment rate at October 2020 was 10.7%, an increase of 49% relative to 7.2% in October 2019.
- Debt/GDP declined to 94.4% as at March 2020 from 96% in March 2019.
- The NIR declined slightly to US$3.13B at the end of December 2020 relative to US$3.2B at end December 2019. As at December 2020, the NIR recovered approx. 97% to its pre-COVID levels.

Inflation

5.2%

(6.2% in 2019)

JSE Index

22%

(+34% in 2019)

J$ Depreciation

7.6%

(-3.5% in 2019)

Unemployment Rate

10.7% *Oct. 2019*

(7.2% in Oct. 2019)

TOURISM SECTOR REVIEW

The UNWTO reported that for January 2021, international tourist arrivals fell 87% relative to January 2019. As at the beginning of February 2021, 32% of all global destinations were completely closed to international tourists.

International Tourist Arrival

74%

(+4% in 2019)

Global GDP Fallout

-US$ 2 trillion

Over 100-120 million direct tourism jobs at risk

1. Global Environment

The uncertainty surrounding the pandemic resulted in many countries introducing strict travel restrictions which include quarantining, mandatory testing, and in some cases a complete closure of borders. All these measures resulted in a sharp falloff in international travel.

International tourist arrivals declined -74% compared to a 4% increase in 2019. Asia and the Pacific, the first region to suffer the impact of the pandemic, recorded the largest decrease in arrivals (-84% or 300 million fewer). The Middle East and Africa both recorded a 75% decline, Europe followed with -70% and the Americas had a slightly smaller decline of -69%. This was the worst year on record, surpassing the decline during the 2009 Global Economic Crisis (-4%) or the SARS epidemic of 2003 (-4%). There was a loss of 1 billion international tourist arrivals and the loss of US$1.3 trillion in tourism exports. With over 100-120 million direct tourism jobs at risk, the estimated fallout in global GDP is over US$2 trillion. Nevertheless, the dissemination of a COVID-19 vaccine is expected to help restore consumer confidence, contribute to the easing of travel restrictions, and slowly normalize travel during the year ahead.

Total Visitors

34%

Hotel Room-Nights

37.9%

SINCE DECEMBER, THEME PARKS HAVE BEEN AT MAXIMUM CAPACITY WHICH IS INDICATIVE OF THE PENT-UP DEMAND FOR OUTDOOR ACTIVITIES.

2. Orlando Environment

For 2020, it is estimated that 86.7 million total visitors (in-person trips) travelled to Florida. This represents a decrease of -34% from 2019, indicating a significant decline in travel as a result of the COVID-19 pandemic. The number of hotel room-nights sold in Florida during 2020 decreased -37.9% from 2019, with reduced occupancy throughout the year.

Florida's hospitality industry came to a halt in mid-March which saw the closure of not just restaurants, beaches and vacation rentals but also major tourist destinations such as Universal Orlando, SeaWorld and Disney Theme Parks. Hotels such as Double Tree, Orlando suffered similar impact, where they recorded low occupancy levels, as well as significantly reduced staff and operations at the hotel. Of the 86 million visitors, domestic visitors accounted for 95%. The increase in domestic visitors was due to COVID-related travel restrictions and persons preferring short drives rather than long flights for travel.

Hotels continue to announce cutbacks, and the cruise industry is anticipating a slow return to the seas next year. Walt Disney World's four theme parks - Magic Kingdom Park, Epcot, Disney's Hollywood Studios and Disney's Animal Kingdom increased capacity to 35% in December, up from 25% earlier in the year. Since then, these parks have been at maximum capacity which is indicative of the pent-up demand for outdoor activities.

3. Jamaican Environment

Jamaica closed its borders for the months of April and May 2020 due to the COVID-19 pandemic and re-opened on June 15, 2020. Total visitor arrivals to the island decreased by 67% in 2020 relative to 2019, with 880,404 stopovers compared to 2,680,920 in 2019. 72% of the visitors to the island were from the United States, while Canada and the UK contributed 15% and 6.3% to total arrivals, respectively.

Stopovers

Stopover arrivals from the United States market recorded a decrease of 114,260 in December 2020, with a total of 74,896 arrivals compared to the 189,156 arrivals who visited in December 2019. All the US regions recorded decreases in arrivals – the Northeast with 33,829 declined by 59.9%, the South with 24,457 declined by 52.5%, the Mid-West with 9,257 declined by 71.6%, and the West with 7,353 declined by 64.6%. In December 2020, the Canadian market recorded a decrease in arrivals of 82.1%, with 8,532 stopovers compared to 47,558 in December 2019. For the January to December 2020 period, arrivals from the European market region fell by 75.6%. Total stopover arrivals were 78,225 compared to 320,640 in 2019.

The average length of stay of foreign national arrivals increased in 2020 relative to 2019. In December 2020 this was

Total Visitors to Jamaica

67%

Total Stopovers to Jamaica

880,404

(2,680,920 in 2019)

Cruise Passenger Arrivals

71.1 %

449,271 cruise passenger arrivals or 897,683 less cruise passengers when compared to 2019.

TOURISM ACCOUNTS FOR 35% OF JAMAICA'S GDP. PREDICTIONS ARE THAT THE JAMAICAN ECONOMY WILL NOT REACH PRE-PANDEMIC GDP LEVELS UNTIL 2024.

recorded at 14.5 nights, compared to 9.5 nights recorded in December 2019. The average length of stay in hotels was recorded at 7.4 nights in December 2020, compared to 6.5 nights as recorded in December 2019.

The cruise ship industry closed in April and remains closed to date. As a result, January to December 2020 saw 449,271 cruise passenger arrivals visiting our shores, a decline of 71.1% or 897,683 less cruise passengers when compared to 2019.

Economic Impact

Tourism accounts for 35% of Jamaica's GDP. With Jamaica's heavy dependence on tourism coupled with the unpredictable nature of the pandemic and the associated measures to contain its spread, the industry is likely to have a slowed recovery, apace with predictions that the Jamaican economy will not reach pre-pandemic GDP levels until 2024.

Employment

Several industries such as accommodation and food services, transport, arts and entertainment were affected by the decline in tourism activity. According to the July 2020 Labour Force Survey, there were an estimated 122,400 persons employed in the sector compared to 161,500 persons in July 2019, a decline of 24%. The number of unemployed persons whose last employment was in the tourism-related sector increased by 137%, moving from 13,900 in July 2019 to 33,000 in July 2020. The uptick in tourism arrivals near the end of 2020, provided a positive outlook for the furloughed tourism workers. As at December 2020, 30% of tourism

workers have been brought back on full-time while another 10-20% are now working part-time at reduced hours and reduced wages.

Post Year-End

The UNWTO reported that for January 2021, international tourist arrivals fell 87% relative to January 2019. The Asia and the Pacific region which has the highest level of travel restrictions in place, recorded the largest decrease in international arrivals in January of -96%. Africa and Europe both reported 85% decline in arrivals, while the Middle East recorded a drop of 84%. International arrivals in the Americas decreased by 77% in January. As at the beginning of February 2021, 32% of all global destinations were completely closed to international tourists. A rebound in the sector is dependent on travel restrictions being lifted, the speed of vaccination programmes and harmonized protocols (Digital Green Certificate[2]) planned by the European Commission are implemented.

Sale of Shares - Playa Hotels & Resorts N.V. (Playa)

In January 2021, Sagicor Group Jamaica Limited (SJ) and Sagicor Real Estate X Fund (XFUND) executed a sale of 11,499,000 Ordinary Shares of Playa Hotels and Resorts N.V. (NASDAQ: PLYA) at a public offering price of US$5.00 per share. This transaction ran concurrently with a public offering of 25,000,000 new shares by Playa as well as an assignment of an additional 8,501,000 ordinary shares held by Sagicor Jamaica to Sagicor Financial Corporation Limited, for cash consideration. Sagicor Jamaica's interest in Playa is held by an affiliated company, Jamziv Montego Bay Jamaica Portfolio Limited (Jamziv) and these two transactions resulted in net proceeds to Jamziv of approximately US$96 million.

COMMERCIAL SECTOR REVIEW

Given the overall slowdown in economic activity as a result of the pandemic, corporations have sought moratoriums on lease agreements and waivers on lease payments as their ability to honour these agreements have been impacted by lower revenues. As a result, property owners' profits have been adversely affected. The Real Estate, Renting & Business Activities Industry declined by -2.5% in 2020 relative to the 0.8% improvement in performance for 2019. As the restrictions on business activities become relaxed, businesses will rebound to their pre-pandemic performance, and owners and renters alike will benefit. As the varying industries adopt a remote work policy, demand for commercial space has declined.

Tourism Workers Return to Work

30 %

Tourism workers brought back to full time work as at December 2020.

Net Proceeds to Jamziv

US$ 96 million

Sale of 11,499,000 Ordinary Shares of Playa Hotels and Resorts N.V. and an assignment of an additional 8,501,000 ordinary shares held by Sagicor Jamaica to Sagicor Financial Corporation Limited, for cash consideration.

[2] The Digital Green Certificate is a digital proof that a person has either been vaccinated against Covid-19, received a negative test or recovered from Covid-19. This certificate features a QR code and is available in digital or paper format and valid in all EU countries.

CORPORATE GOVERNANCE

Sagicor Real Estate X Fund Limited and its subsidiaries (the X Fund Group) remain committed to maintaining a high standard of corporate governance by adhering to the principles and guidelines laid out in the Company's Corporate Governance Policy.

The Policy is influenced by applicable laws and regulations, internally accepted corporate governance best practices and recent trends in governance. This Policy is available on the Sagicor website at https://www.sagicor.com/-/media/Forms-SagicorJamaica/XFund-CorporateGovernancePolicy2018.pdf?ts=20200511T1519386448

Corporate Governance Framework

Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times. It also ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the X Fund Group.

CORPORATE GOVERNANCE FRAMEWORK DIAGRAM

Shareholder Rights and Responsibilities

The Board is committed to maintaining high standards of corporate disclosure and transparency, and ensures that all shareholders are provided with adequate and timely information on the X Fund Group's performance. Shareholders also can participate effectively through a question and answer session at the Company's Annual General Meeting and are given clear guidelines before voting at General Meetings.

Information regularly provided to shareholders includes interim reports, The Minutes of the Annual General Meetings, Annual Reports and press releases on significant events occurring during the year. All reports, press releases and other information can be found on the Sagicor website at *www.sagicor.com/en-JM*.

Board of Directors

The Board of Directors as at 31 December 2020 comprised eight (8) Non-Executive Directors, four (4) of whom the Board considers to be independent and is chaired by Mr. Christopher Zacca. The selection of the Board members was made with the intention to create synergy among experienced persons with differing strengths.

THE DIRECTORS EACH HAVE EXTENSIVE REAL ESTATE EXPERIENCE AS WELL AS HOLD OTHER DIRECTORSHIPS, AND IT IS THE BOARD'S BELIEF THAT THEIR COLLECTIVE EXPERIENCE CAN CONTRIBUTE TO THE EFFECTIVE STRATEGIC OVERSIGHT OF X FUND.

In 2020 the Board undertook:

- guiding the strategic direction of X Fund (and its subsidiaries) which involves setting business objectives and the plans for achieving them
- executing the approved business objectives through adequate management, leadership and resources
- monitoring the performance of hotel properties within the Group and the Sigma Real Estate Portfolio with a view to achieving the strategic objectives and ensuring compliance with all applicable legal and regulatory regimes
- ensuring due and proper accounting to all stakeholders of X Fund including the stockholders.

The Chief Executive Officer, Ms. Brenda Martin, is responsible for the management of the key objectives of X Fund and executing the strategic development initiatives as directed by the Board.

The Chairman, Mr. Christopher Zacca, is responsible for the effective leadership, operation and governance of the Board and its Committees. He ensures that all Directors contribute effectively to the development and implementation of the Company's strategy whilst ensuring that the nature and extent of the significant risks that the Company is willing to embrace in the implementation of its strategy are determined and challenged.

Director Independence

In accordance with the Corporate Governance Policy, the Board has maintained a structure which includes four (4) independent directors to add to the objectivity and transparency of the Board. Independence is based on criteria agreed by the Board and outlined in the Company's Corporate Governance Policy and in accordance with local laws and regulations.

Directors are required to submit to an annual self-assessment of their compliance with these criteria and any conflict of interest requirements.

In 2020, the Directors who met the independent criteria were:

- Peter Pearson
- Vinay Walia
- Colin Steele
- Bruce James

DIRECTOR NOMINATION AND APPOINTMENT

The Amended and Restated Articles of X Fund sets out the basis on which directors are appointed. A director may hold office until he/she ceases to be a director. Annually, at least one third of the directors retire at the Company's Annual General Meeting and said directors are eligible for re-election. The directors retiring this year are Christopher Zacca, Colin Steele and Bruce James and, being eligible, offer themselves for re-election and are being recommended to the shareholders for re-appointment.

Candidates are assessed against six (6) criteria:

- Board Core Competency Requirements
- Director Core Competency Requirements
- Knowledge and Expertise
- Representational Factors
- Time Commitments
- Director Independence

The Corporate Governance Committee, among other things, considers the prevailing needs of the Company in terms of its strategic imperatives, external business drivers and the existing talents around the Board table. The Committee must also be mindful of the importance of maintaining an essential mix and balance of talents on the Board to deal with the Company's present and impending challenges.

Once potential candidates are identified, the Corporate Governance Committee conducts the relevant interviews, does due diligence checks, and prepares a New Director profile providing information on the assessment criteria. If the Committee deems the independence qualifications and biographical information to be in order, and if the other tests have been met, i.e. the Board's competencies will be enhanced by the addition of this individual to the Board, the candidate meets Board competency requirements for directors, his/her representation is consistent with Company requirements and he/she commits to the time requirements of the role, the Committee will make a recommendation to the full Board for the admission of the candidate as director.

Director Orientation and Training

All new Directors inducted to the Board are introduced to the business through a formal orientation process. Current Directors and the Secretariat provide an overview of the X Fund Group's operations, and introduce the organization, organizational structure, services and subsidiaries, constitution, Board procedures, matters reserved for the Board and major risks and risk management strategy of the X Fund Group.

The Board's existing Directors receive periodic training relating to the core business of the Company and its subsidiaries, including the drivers of the business lines and their products. Directors are also kept abreast of trends in the business and regulatory environment and informed of trends in financial reporting. Directors are also required to participate in annual mandatory AML/CFT (Anti Money Laundering & Counter Finance Terrorist Activity) training.

DIRECTORS SKILLSET

SKILLS & EXPERTISE	Dr. Dodridge Miller	Christopher Zacca	Stephen McNamara	Vinay Walia	Peter Pearson	Michael Fraser	Colin Steele	Bruce James
General Management	✓	✓	✓	✓	✓	✓		✓
International Business	✓	✓	✓	✓	✓			
Finance	✓	✓		✓	✓	✓	✓	
Strategic Management	✓	✓		✓	✓	✓		
Corporate Law	✓		✓					
Banking	✓				✓		✓	✓
Corporate Finance (Mergers & Acquisitions)	✓	✓		✓	✓			
Asset Management	✓			✓				
Property			✓	✓			✓	

Directors' Expertise

The Board and Committees are structured to ensure there is an appropriate mix of both knowledge, skill, and experience relevant to the business of X Fund. Its members have experience in positions with a high degree of responsibility and possess the necessary competencies and knowledge in wide and diverse areas relevant to the business. These include areas of general management, corporate finance, mergers and acquisitions, strategic management, corporate governance, corporate law, asset management and property management. This breadth of knowledge and expertise provide for diversity of opinions and invaluable support to the Board's decision-making process, which underpins the need for independent and critical thinking in their ability to represent the interests of shareholders.

Board Operations

The Board is scheduled to meet quarterly. In addition, ad hoc meetings are held to deal with urgent matters. The critical agenda items which were covered at Board Meetings in 2020 include:

- The approval of the year-end audited Financial Statements
- The review and approval of the quarterly unaudited financial statements and reports to the stockholders;
- Discussion on major Investments/ operations and strategic business initiatives including hotel portfolio
- Ratification/approval of decisions of the Board Committees

Board Committees and Attendance Records

During the year, the Board and its committees held 14 meetings. With the onset of the COVID-19 pandemic in March 2020, all meetings were held virtually in observance of social distancing protocols. In addition to the Board Meetings held during the year, the Board regularly provided consultation to the Company virtually.

THE BOARD HAS DELEGATED CERTAIN OF ITS AUTHORITIES TO VARIOUS BOARD COMMITTEES TO FOCUS ON COMPLEX AND SPECIALIZED ISSUES FACING X FUND AND ITS SUBSIDIARIES.

These Committees make recommendations and report regularly to the Board who retains ultimate responsibility for all decisions taken. The Board Committees meet periodically (typically quarterly) to examine issues that fall within their respective mandate and report on its activities to the Board.

The Committee Members are appointed by the Board of Directors and hold office until otherwise determined by the Board of Directors or until they cease to be directors. The Committees comprise a majority of non-executive directors. The CEO and representatives of the Investment Manager attend meetings as invitees and participate in the meetings through presentations of discussion documents and development of strategies.

BOARD ATTENDANCE

Directors	Board	Audit Committee	Investment Committee	Corporate Governance Committee
Number of meetings total - 14	5	4	4	1
Christopher Zacca	5		4	1
Stephen McNamara	5			
Peter Pearson	5	4		1
Dr. Dodridge Miller	3			
Michael Fraser	5	4		
Vinay Walia	5	4	4	1
Bruce James	5		4	
Colin Steele	4			

Attendance at meetings of the Board and its committees as at December 31, 2020

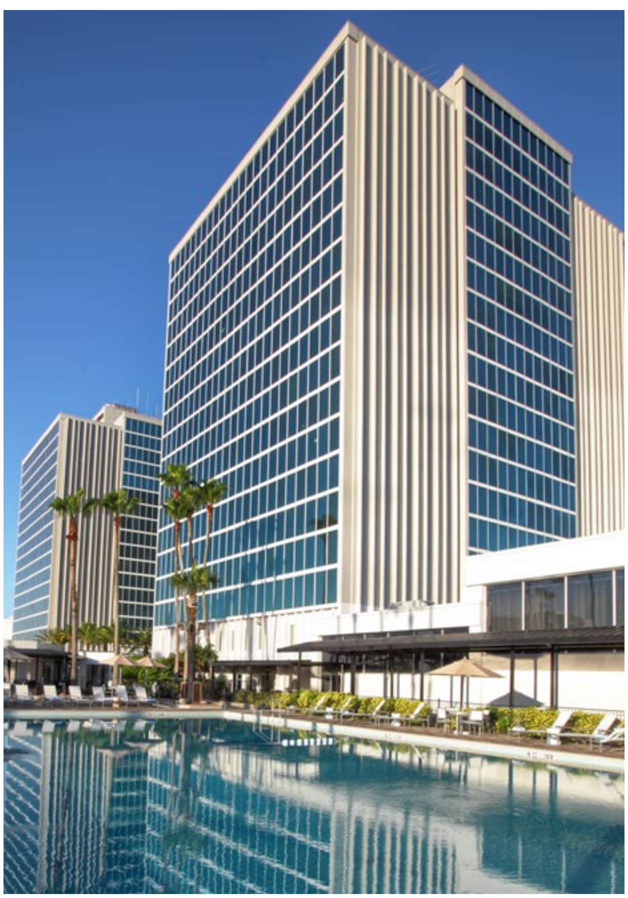
DIRECTORS' REMUNERATION

BOARD COMMITTEE	ANNUAL RETAINER	AUDIT COMMITTEE	INVESTMENT COMMITTEE	CORPORATE GOVERNANCE COMMITTEE
Board Chairman	2,546,775.00			
Board Directors (ALL)	1,620,675.00			
Committee Chair		1,041,862.50	1,041,862.50	694,575.00
Member of Committee		694,575.00	694,575.00	463,050.00

* Where the Board Chairman is an Executive Director, an annual retainer will not be paid in accordance with the Company's Corporate Governance policy.

Directors' Remuneration

The Board determines the level and structure of fees paid to non-executive directors; executive directors do not receive fees in respect of their office as directors of the Company or any of the companies within the Sagicor Group. The level of fees is in line with other listed companies in the financial sector. Fees are paid quarterly based on an annual retainer. A total of $16,475,876.19 was paid as directors' fees in 2020.



Board Sub-Committees

Currently, the Board of X Fund has three (3) Committees – Audit, Investment and Corporate Governance - to ensure that there is an ongoing review of its corporate integrity and X Fund's ability to achieve its strategic and operational objectives. Two (2) of these committees (Audit and Investment Committees) meet quarterly in the absence of any pressing matter or emergency. The Corporate Governance Committee is scheduled to meet at least twice annually.

Audit Committee

The Audit Committee is chaired by Mr. Peter Pearson with support from Mr. Vinay Walia and Mr. Michael Fraser. The Committee has responsibility for safeguarding the shareholders' investment and the Company's value. It has overall responsibility for ensuring the Company maintains an ongoing system of internal control and risk management, to provide it with reasonable assurance regarding effective and efficient operation, internal financial control and compliance with laws and regulations.

Investment Committee

The Investment Committee meets at least quarterly and comprises two independent directors – Mr. Vinay Walia (Chairman), Mr. Bruce James, and Mr. Christopher Zacca.

Corporate Governance Committee

The Corporate Governance Committee is chaired by the Board Chairman, Mr. Christopher Zacca who is supported by Mr. Peter Pearson and Mr. Vinay Walia, both non-executive, independent directors.

The key responsibilities of each committee are outlined as follows:

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Audit Committee	Peter Pearson Vinay Walia Michael Fraser	▪ monitored the adequacy and effectiveness of the Company's systems of risk management and control, the Business Risk Assurance function and external auditors ▪ reviewed the Company's annual and quarterly unaudited financial statements and related policies and assumptions, and any accompanying reports or related policies and statements ▪ monitored and reviewed the effectiveness of the Company's internal audit function ▪ monitored and reviewed the external auditor's independence, objectivity, and effectiveness
Corporate Governance Committee	Christopher Zacca Peter Pearson Vinay Walia	▪ established and ensured adherence to procedures designed to identify potential conflicts of interest, prevent conflicts of interest, and resolve them, if they occur ▪ reviewed the annual Board Evaluation and initiate and assess the outcome of the evaluations of the previous year
Investment Committee	Vinay Walia Bruce James Christopher Zacca	▪ ensured that the company adheres to prudent standards in making investment and lending decisions and in managing its investments ▪ approved the annual strategy for the Company

Board Evaluation

A key function of the Board as a fiduciary of the shareholders is to ensure consistent monitoring and review of its effectiveness as a Board, the effectiveness of its committees, and each Director. The Board works along with the Corporate Governance Committee to establish the evaluation criteria for the performance of each Director as well as the overall Board. The criteria are used to annually evaluate its performance and that of its individual directors.

The evaluation of the Chief Executive Officer and the Company Secretary is also covered under this review process. Action plans and issues are monitored over the following period which included an adjustment to the strategic planning process to allow for more time to deliberate on the strategies presented and the continued focus on the board's agenda to cover certain critical non-standard items.

Corporate Values

Corporate Governance is the task of a company's board to provide entrepreneurial leadership, guidance, and oversight to the company for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour. The direction and momentum assumed by the Governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between board and management. As a member of the Sagicor Group of Companies the X Fund Group's value system is guided by the following policies:

Code of Conduct

The standards contained in the Sagicor Code of Business Conduct and Ethics, to which the X Fund Group abides, emphasize the deterrence of wrongdoing that could lead to fraud and misconduct, and address the following essential areas:

- Conflicts of interest
- Corporate opportunities
- Confidentiality
- Fair dealing
- Protection and use of company assets
- Compliance with laws
- Rules and regulations, including insider trading laws, and
- Encouraging and reporting of any illegal or unethical behaviour

Conflict of Interest

Under the Code, the Directors' annual declarations of any personal interest he or she may have (whether directly or indirectly) which may have an impact on any matters being considered by the Board.

CORPORATE DATA

DIRECTORS:

Christopher Zacca
Chairman

Dr. Dodridge Miller

Michael Fraser

Stephen McNamara

Vinay Walia

Peter Pearson

Colin Steele

Bruce James

EXECUTIVE:

Brenda-Lee Martin
Chief Executive Officer

Corporate Secretary:

McNamara Corporate Services Inc.
20 Micoud Street,
Castries, Saint Lucia

Auditors:

Grant Thornton
Point Seraphine
PO Box 195
Castries
St. Lucia

Bankers:

Sagicor Bank Jamaica Limited
17 Dominica Drive
Kingston 5

Attorneys:

Patterson Mair Hamilton
Attorney-at-Law
Temple Court
85 Hope Road
Kingston 6

Registered Office:

20 Micoud Street
Castries
St. Lucia

Territories of Operation

St. Lucia
Sagicor Real Estate X Fund Limited
20 Micoud Street
Castries
St. Lucia

Jamaica
X Fund Properties Limited
(wholly owned subsidiary)
28 – 48 Barbados Avenue
Kingston 5
Jamaica

USA
X Fund Properties LLC
(wholly owned subsidiary of X Fund Properties Limited)
5780 Major Boulevard
Orlando, Florida 32819
USA

2020
FINANCIAL STATEMENTS

Grant Thornton
Point Seraphine
PO Box 195
Castries, St. Lucia

T 1 758 456 2600
F 1 758 452 1061
www.GrantThornton.com

Independent Auditor's Report

To the Stockholders of
Sagicor Real Estate X Fund Limited

Opinion

We have audited the consolidated financial statements of Sagicor Real Estate X Fund Limited (the Company) and its subsidiaries (together the Group), which comprise the consolidated and stand-alone statement of financial position as at December 31, 2020, and the consolidated and stand-alone statements of comprehensive income, changes in stockholder's equity and statement of cash flows for the year then ended, and notes to the consolidated and stand-alone financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and stand-alone financial statements present fairly, in all material respects, the consolidated financial position of the Group and stand-alone financial position of the Company as at December 31, 2020, and of its consolidated and stand-alone financial performance and its consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

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

Key audit matters	How our audit addressed the key audit matters
Impairment assessment for the Group's shareholding in associated company *See notes 2 (b), 3, and 15 of the financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
At December 31, 2020, the carrying value of the Group's shareholdings in its associated company, Playa Hotels and Resorts, N.V., had a carrying value of $15.8 billion. The continued negative impact of COVID-19 on the hospitality industry and management's subsequent decision to sell its shares in Playa Hotel and Resorts N.V. (Note 37) were considered to be indicators of potential impairment, which required further consideration by management, as to whether a formal impairment assessment was required. Management concluded that an assessment was required and performed a value-in-use calculation to determine a value for the recoverable amount, as required by IAS 36, "Impairment of Assets". Based on the results of management's assessment, management has concluded that the investment was not further impaired. We focused on this due to its subjectivity and the sensitivity to changes in inputs, as the performance of value in use calculation involves the use of estimates including earnings before interest, taxes, depreciation and amortisation (EBITDA), discount rates and terminal growth rates.	We examined management's assessment of the historical performance of its investment and compared underlying financial data used in the assessment to audited financial statements and other publicly available financial information. We also performed inquiries with key management of the Group and of the associated company regarding its forecast earnings, occupancy levels, leverage and cost of capital. We were assisted by our valuation expert to evaluate management's value-in-use calculation. We evaluated management's assumptions in relation to future earnings before interest, taxes, depreciation and amortisation (EBITDA), discount rates and terminal growth rates by forming our own independent expectation, referencing historical entity performance information, economic and statistical data. Based on the work performed, management's assumptions were not unreasonable.

GrantThornton

Valuation of Owner Managed Hotel Property included in Property Plant and Equipment and Investment Property – Jewel Grande Montego Bay Resort and Spa (Group) *See notes 2 (l), 2 (m), 3, 16 and 17 of the consolidated financial statements for disclosures of related accounting policies, judgements and estimates.* Owner managed hotel properties included in the Property, Plant and Equipment are carried at fair value of $12.6 billion at December 31, 2020 (see note 16, land and building), or 39% of total assets of the Group. The Group uses independent qualified property appraisers to value its owner managed hotel property and investment property annually. The appraisals are performed using the market value approach and the income capitalization approach. The market value approach establishes the value of the property in comparison to historic sales involving similar properties, whilst the income capitalization approach is based on the principal that the value of the property is indicated by its net return, known as the present worth of future benefits.	We engaged our own independent expert to assist us in assessing the appropriateness of the Group's valuation methodology and we confirmed that it is suitable for determining market value for the purpose of the financial statements in accordance with the financial reporting framework. We obtained the valuation performed by management's third-party experts and, with the assistance of our expert, assessed the appropriateness of the valuers' scope of work and assess the experience, competence and objectivity of the valuers. We found them to be appropriately qualified and independence, confirming there was no affiliation to the Group. Our expert evaluated the valuation provided by management's experts and performed an independent assessment of the underlying data and key assumptions, including the contrary evidence, that underpin the valuation confirming that the methodology used by management's third-party experts was appropriate and the work performed was consistent with accepted professional practices.
The market value and income capitalization approaches take into consideration various assumptions and factors including: • Location of properties • Number of rooms for sale to the market • Price per guest room • Current and future occupancy • Foreign currency earnings • The rate of inflation of direct expenses • An appropriate discount /capitalization rat • Estimated future maintenance and capital expenditure Reference is also made to recent comparable sales. A change in any of these assumptions and factors could have a significant impact on the valuation of the owner managed hotel properties or the investment property.	We engaged our own independent expert to assist us in assessing the appropriateness of the Group's valuation methodology and we confirmed that it is suitable for determining market value for the purpose of the financial statements in accordance with the financial reporting framework. We obtained the valuation performed by management's third-party experts and, with the assistance of our expert, assessed the appropriateness of the valuers' scope of work and assess the experience, competence and objectivity of the valuers. We found them to be appropriately qualified and independence, confirming there was no affiliation to the Group. Our expert evaluated the valuation provided by management's experts and performed an independent assessment of the underlying data and key assumptions, including the contrary evidence, that underpin the valuation confirming that the methodology used by management's third-party experts was appropriate and the work performed was consistent with accepted professional practices.

GrantThornton

Responsibilities of Management and those charged with Governance for the Consolidated and Stand-alone Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated and stand-alone financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and stand-alone financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Grant Thornton

Chartered Accountants

March 1, 2021

Consolidated Statement of Comprehensive Income

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

Revenue:	Note	2020 $'000	2019 $'000
Net investment income	8	18,525	23,723
Net capital gains on financial assets and liabilities	8	(93,202)	221,572
Hotel revenue	8	2,427,344	5,274,289
Other income		533	146,858
Total revenue		2,353,200	5,666,442
Expenses:			
Direct expenses	9(a)	(1,065,459)	(2,236,935)
Administrative and other operating expenses	9(b)	(1,937,361)	(2,430,687)
Net impairment losses on financial assets	9(b)	3,328	(5,719)
Operating expenses		(2,999,492)	(4,673,341)
Finance costs	11	(683,186)	(646,050)
Operating (loss)/profit		(1,329,478)	347,051
Share of loss from associate accounted for using the equity method	15	(5,467,297)	(98,662)
Impairment of investment in associate	15	(7,925,022)	-
Loss on dilution of associate	15	(391,296)	-
(Loss)/profit before taxation		(15,113,093)	248,389
Taxation	12	201,719	(335,129)
Net loss from continuing operations		(14,911,374)	(86,740)
Discontinued operations			
Loss/(Gain) from discontinued operations, net of taxes (attributable to equity holders of the company)	35	(477,028)	9,764
Net loss		(15,388,402)	(76,976)
Other comprehensive income -			
Items that may be subsequently reclassified to profit or loss -			
Re-translation of foreign operation		2,844,201	1,336,059
Re-translation of foreign operation recycled to the Income Statement on dilution of associated company		(74,042)	-
		2,770,159	1,336,059
Share of other interest rate swap of associated company		(140,618)	(410,058)
Share of other interest rate swap of associated company recycled to the Income Statement on dilution of associated company		24,237	-
Items that will not be subsequently reclassified to profit or loss -			
Revaluation of land and buildings		(2,368,749)	(294,191)
Share of retirement benefit obligation of associated company		(2,797)	(16,676)
Other comprehensive income for the period, net of taxes		282,232	615,134
Total comprehensive (loss)/income for the period		(15,106,170)	538,158
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic and fully diluted	13	($4.45)	($0.02)

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income (Continued)

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Net loss attributable to:			
Stockholders of the company		(9,987,059)	(38,310)
Non-controlling interests	34	(5,401,343)	(38,666)
		(15,388,402)	(76,976)
Total comprehensive (loss)/income attributable to:			
Stockholders of the company		(10,371,785)	487,246
Non-controlling interests	34	(4,734,385)	50,912
		(15,106,170)	538,158
Total comprehensive (loss)/income for the period attributable to stockholders of the company arises from:			
Continuing operations		(9,894,757)	477,482
Discontinued operations	35	(477,028)	9,764
		(10,371,785)	487,246

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Consolidated Statement of Financial Position

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Non-Current Assets			
Investment in associate	15	15,844,877	27,926,492
Property, plant and equipment	16	12,560,859	14,858,281
Investment property	17	-	2,033,593
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	19	783,743	871,643
Financial assets at fair value through profit or loss	20	189,036	291,094
Goodwill		923	923
		29,379,438	45,982,026
Current Assets			
Inventories	21	27,337	35,285
Receivables	22	1,075,151	928,223
Securities purchased under agreement to resell	23	134,975	246,240
Cash resources	24	1,386,587	2,030,657
		2,624,050	3,240,405
Current Liabilities			
Payables	25(a)	351,262	994,962
Contract liabilities	25(b)	59,454	248,016
Borrowings	27	2,076,972	2,397,150
Taxation payable		-	31,731
		2,487,688	3,671,859
Net Current Liabilities		136,362	(431,454)
		29,515,800	45,550,572

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Consolidated Statement of Financial Position (Continued)

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Stockholders' Equity			
Share capital	29	12,642,512	12,642,512
Currency translation reserve		2,949,762	989,864
Fair value and other reserves	31	708,789	3,062,656
Retained earnings	32	(1,131,882)	8,845,934
		15,169,181	25,540,966
Non-controlling interests	34	6,210,019	10,944,404
Total Equity		21,379,200	36,485,370
Non-Current Liabilities			
Borrowings	27	7,469,311	7,734,503
Deferred income taxes	28	667,289	1,330,699
Total Liabilities		8,136,600	9,065,202
Total Equity and Liabilities		29,515,800	45,550,572

Approved for issue by the Board of Directors on February 23, 2021 and signed on its behalf by:

Christopher Zacca **Chairman** **Bruce James** **Director**

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Consolidated Statement of Changes in Stockholders' Equity

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Currency Translation Reserve	Fair Value and Other Reserves	Retained Earnings	Non-controlling Interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2019		12,642,512	47,600	3,479,364	8,884,244	10,893,492	35,947,212
Net loss for the year		-	-	-	(38,310)	(38,666)	(76,976)
Re-translation of foreign operations		-	942,264	-	-	393,795	1,336,059
Unrealised loss on revaluation of property, plant and equipment		-	-	(157,210)	-	(136,981)	(294,191)
Change in reserves of associated company		-	-	(259,498)	-	(167,236)	(426,734)
Total comprehensive income		-	942,264	(416,708)	(38,310)	50,912	538,158
Balance at 31 December 2019		12,642,512	989,864	3,062,656	8,845,934	10,944,404	36,485,370
Net loss for the year		-	-	-	(9,987,059)	(5,401,343)	(15,388,402)
Unrealised loss on revaluation of property, plant and equipment	31	-	-	(2,272,148)	-	(96,601)	(2,368,749)
Re-translation of foreign operations		-	1,959,898	-	-	810,261	2,770,159
Change in reserves of associated company	31	-	-	(72,476)	-	(46,702)	(119,178)
Total comprehensive income		-	1,959,898	(2,344,624)	(9,987,059)	(4,734,385)	(15,106,170)
Transfer between reserves		-	-	(9,243)	9,243	-	-
Balance at 31 December 2020		12,642,512	2,949,762	708,789	(1,131,882)	6,210,019	21,379,200

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Cash Flows from Operating Activities			
Net cash (used in)/provided by operating activities	36	(141,020)	1,617,686
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	16	(174,635)	(287,315)
Purchase of investments		(3,079)	(2,437)
Proceeds from sale of discontinued operations	35ciii	1,520,146	-
Proceeds from sale of investments		91,712	-
Restricted cash		(103,914)	(189,906)
Interest received		21,438	23,642
Net cash provided by / (used in) investing activities		1,351,668	(456,016)
Cash Flows from Financing Activities			
Loan repayment, net		(1,607,039)	(316,683)
Interest paid		(611,156)	(612,609)
Net cash used in financing activities		(2,218,195)	(929,292)
(Decrease)/increase in cash and cash equivalents		(1,007,547)	232,378
Effect of exchange gains on cash and cash equivalents		112,459	43,397
Cash and cash equivalents at beginning of year		1,756,027	1,480,252
Cash and Cash Equivalents at year end	24	860,939	1,756,027

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Company Statement of Comprehensive Income

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Revenue			
Net investment income	8	2,738	6,115
Net capital gains on financial assets and liabilities	8	(1,855)	9,139
Other income		24	3,250
		907	18,504
Administrative and other operating expenses	9	(91,983)	(83,775)
Finance costs	11	(103,662)	(139,341)
Loss before tax		(194,738)	(204,612)
Taxation	12	-	(1,663)
Net loss, being total comprehensive income for the period		(194,738)	(206,275)

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Company Statement of Financial Position

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Non-Current Assets			
Investment in subsidiaries	14	24,008,822	24,008,822
Financial assets at fair value through profit or loss		-	96,825
Deferred income taxes	28	744	744
		24,009,566	24,106,391
Current Assets			
Receivables		2,181	1,323
Securities purchased under agreement to resell	23	827	1,332
Cash resources	24	4,033	3,910
		7,041	6,565
Current Liabilities			
Payables	25	3,806,153	3,796,397
Borrowings	27	315,000	2,880,786
		4,121,153	6,677,183
Net Current Liabilities		(4,114,112)	(6,670,618)
		19,895,454	17,435,773
Stockholders' Equity			
Share capital	29	12,642,512	12,642,512
Retained earnings	32	4,598,523	4,793,261
Total Equity		17,241,035	17,435,773
Non-Current Liability			
Borrowings	27	2,654,419	-
Total Equity and Liability		19,895,454	17,435,773

Approved for issue by the Board of Directors on February 23, 2021 and signed on its behalf by:

Christopher Zacca **Chairman** **Bruce James** **Director**

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Company Statement of Changes in Stockholders' Equity

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2019		12,642,512	4,999,536	17,642,048
Net loss, being total comprehensive income for the year		-	(206,275)	(206,275)
Balance at 31 December 2019		12,642,512	4,793,261	17,435,773
Net loss, being total comprehensive income for the year		-	(194,738)	(194,738)
Balance at 31 December 2020		12,642,512	4,598,523	17,241,035

The accompanying notes on pages 45 to 115 form an integral part of these financial statements.

Company Statement of Cash Flows

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 $'000	2019 $'000
Cash Flows from Operating Activities			
Net loss for the year		(194,738)	(206,275)
Items not affecting cash:			
Interest income	8	(2,738)	(6,115)
Finance costs	11	103,662	139,341
Income tax expense	12	-	1,663
Effect of exchange gains on foreign currency balances		(5,713)	(3,467)
Fair value losses/(gains) on other financial investments	8	7,538	(5,672)
		(91,989)	(80,525)
Change in operating assets and liabilities:			
Receivables		(857)	(1,323)
Payables		(15,825)	(3,463,140)
Related parties		25,581	3,764,914
Net cash (used in)/provided by operating activities		(83,090)	219,926
Cash Flows from Investing Activities			
Proceeds from sale of investment		91,712	-
Interest received		5,606	6,021
Net cash provided by investing activities		97,318	6,021
Cash Flows from Financing Activities			
Interest paid		(14,610)	(18,145)
Borrowings		-	(203,284)
Net cash used in financing activities		(14,610)	(221,429)
Decrease /(Increase) in cash and cash equivalents		(382)	4,518
Effect of exchange gains on cash and cash equivalents		-	470
Cash and cash equivalents at beginning of year		5,242	254
Cash and Cash Equivalents at year end	24	4,860	5,242

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) Sagicor Real Estate X Fund Limited (The Company"), was incorporated on May 31, 2011 with the name Sagicor X Funds SPC Ltd, as an international business company under the International Business Companies Act, Cap. 12.14 of the Revised Laws of Saint Lucia. On February 28, 2013, the Company changed its name to Sagicor Real Estate X Fund Limited ("X Fund").

The Company is 51.49% owned by the Sagicor Pooled Investments Funds Limited, which is administered by Sagicor Life Jamaica Limited (SLJL). Its ultimate parent company, Sagicor Group Jamaica Limited (SGJL) owns 29.2%. Effective, October 1, 2018 the Company became a subsidiary of SGJL, as SGJL now controls the Company.

One of the primary investments of the Company is units in the Sagicor Sigma Global Funds – Sigma Real Estate Portfolio. The fund manager for Sagicor Sigma Global Funds is Sagicor Investments Jamaica Limited (SIJL), which is a wholly owned subsidiary of SGJL.

The Company's main business activity is to invest in hotel and commercial real estate activities.

(b) On December 1, 2014 X Fund Properties Limited was formed and is a wholly owned subsidiary of X Fund. X Fund Properties Limited is incorporated and domiciled in Jamaica and has coterminous year with its parent Company. Its main business activity is the operation of certain hotel activities at Jewel Grande Montego Bay Resort and Spa.

(c) On July 31, 2015, X Fund Properties Limited established a wholly owned subsidiary, X Fund Properties LLC. X Fund Properties LLC is incorporated and domiciled in Delaware, USA and has coterminous year with its parent Company. Its main business activity is the operation of the DoubleTree Universal Hotel in Orlando, Florida (the DoubleTree).

(d) On April 25, 2018, Jamziv Mobay Jamaica Portfolio Limited ("Jamziv") was incorporated in Jamaica as a holding company. On July 1, 2018, X Fund acquired 51.86% of Jamziv, in addition to the 8.95% that X Fund Properties Limited purchased on June 2, 2018. Together the X Fund Group owns 60.81% of Jamziv, which in turn holds 14.87% (2019 -15.49%) of Playa Hotels & Resorts N.V. ("Playa")

On January 15, 2021, Jamziv sold its interest in Playa (Note 37).

(e) The company's subsidiaries, joint operations and associate, which together with the company are referred to as "the Group", are as follows:

Subsidiaries, Joint Operation and Associate	Incorporation in	Principal Activities	Holdings held by Company %	Holdings held by the Group %	Holdings held by non-controlling interests %
X Fund Properties Limited	Jamaica	Hospitality and real estate investment	100	100	Nil
X Fund Properties LLC	USA	Hospitality	100	100	Nil
Jamziv Mobay Jamaica Portfolio Limited	Jamaica	Holding Company	51.86%	60.81%	39.19%
Playa Hotels & Resorts N.V.	Netherlands	Hospitality	-	14.87%	-

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(f) *Jewel Grande Montego Bay Resort and Spa*

During 2016, the Group acquired interest in a joint acquisition of real property, Palmyra Resort and Spa. Two other related entities also acquired interest in the said real property, Sagicor Sigma Global Funds and Sagicor Pooled Investment Fund (Note 18).

In 2017, the Group pooled its interest in the real property with Sagicor Pooled Investment Fund and Sagicor Sigma Global Funds to form a joint operation to operate the combined assets as a hotel, Jewel Grande Montego Bay Resort and Spa. The operating performance of the joint operation is allocated X Fund Properties Limited holding approximately 28.87% (2019 – 24.73%), Sagicor Sigma Global Funds 19.01% (2019 – 34.85%) and Sagicor Pooled Investment Fund 52.12% (2019 – 40.41%). See Note 18 for summary financial performance of the joint operation.

Effective September 22,2020, X Fund Properties Limited sold its interest in Jewel Grande Montego Bay Resort and Spa to Sagicor Pooled Investment Fund (Note 35).

(g) *Management agreements*

- Sagicor Life Jamaica Limited
- Playa Management USA, LLC
- Ambridge Hospitality LLC

(h) The Group entered into a property management agreement with Ambridge Hospitality LLC to manage the hotel property DoubleTree Orlando. The property management agreement has an initial term of five years and may be extended or shortened in accordance with the property management agreement. The management agreement may be terminated prior to the expiration of the initial term upon the sale of the hotels to a bona fide third-party purchaser, an event of default as defined in the property management agreement, or if a predetermined performance standard is not satisfied. Ambridge Hospitality LLC is entitled to receive a base management fee equal to 2.18% of total operating revenues, as defined. For the year ended 31 December 2020 the Group recognized property management fees of $52,307,000 (2019 - $113,792,000). The Group reimburses Ambridge for expenses incurred relating to hotel operations. For the year ended 31 December 2020, the Group incurred reimbursable expenses of $277,747,000 (2019 - $284,587,000).

(i) The Group entered into a property management agreement on May 31, 2018 with Playa Management U.S.A LLC to manage the joint operation of Jewel Grande Montego Bay Resort and Spa. The property management agreement has an initial term of ten years and may be extended or shortened in accordance with the property management agreement. The management agreement may be terminated prior to the expiration of the initial term upon the sale of the hotels to a bona fide third party purchaser, an event of default as defined in the property management agreement, or if a predetermined performance standard is not satisfied. Playa Management U.S.A LLC is entitled to receive a base management fee equal to 7% of gross operating profit in year 1, and 8% and 9% in year 2 and year 3, respectively. For the year ended 31 December 2020 the Group recognized its share of the property management fees of $2,164,000 (2019- $2,604,000).

(j) Simultaneously, with the Management Agreement, an International Sales & Marketing Services Agreement was signed between the Group and Playa Resorts Management, LLC. This Agreement provides that for each Accounting Period, the Marketing Services Provider shall receive, by a distribution made by the Operator out of the Operating Account at the end of each Accounting Period in respect of its management services, a services marketing fee in an amount equal to three percent (3%) of Gross Revenues in respect of any applicable period.

The initial operating term is 10 years unless earlier terminated with a termination fee on the occurrence of an event of default. The Initial Term shall automatically be extended for two (2) successive five (5) year periods. For the year ended 31 December 2020 the Group recognized its share of the cost for sales and marketing service of $3,911,000 (2019- $ 20,510,000).

Notes to the Financial Statements
31 December 2020
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of certain fixed and financial assets, investment properties and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations 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 put into effect the following:

- **Amendment to IAS 1 and IAS 8**, (effective for annual periods beginning on or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2020 or later periods, but were not effective at the statement of financial position date. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

- Amendments to IAS 1, Presentation of financial statements on classification of liabilities, (effective for annual periods beginning on or after 1 January 2022). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', 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 a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'. The Group is currently assessing the impact of future adoption of the new standard on its financial statements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can effect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-Group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition. Any non-controlling interest balances represent the equity in a subsidiary not attributable to X Fund's interests.

On an acquisition by acquisition basis, the Group recognises at the date of acquisition the components of any minority interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the minority interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation.

Non-controlling interest balances are subsequently re-measured by the minority's proportionate share of changes in equity after the date of acquisition. Investments in subsidiaries are stated in the company's financial statements at cost less impairment.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Change in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity, Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Associates

The investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are included in these consolidated financial statements under the equity method of accounting. Investments in associated companies are originally recorded at cost and include intangible assets identified on acquisition.

The Group recognises in income its share of associate companies' post acquisition income and its share of the amortisation and impairment of intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group recognises in other comprehensive income, its share of the associated company post acquisition other comprehensive income.

(iv) Discontinued operations

When the Group disposes of interest in an entity or a significant portion of the company, the disclosure will reflect a single amount in the statement of comprehensive income comprising the total of:

(i) the post-tax profit or loss of discontinued operations; and

(ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal Group(s) constituting the discontinued operation.

The statement of comprehensive income shows a section identified as relating to discontinued operations; that is, separately from continuing operations.

(v) Joint operation

The Group recognises its investment in joint operation by accounting for its relevant share of the assets, liabilities, revenues and expenses of joint operations and its share of any jointly incurred assets, liabilities, revenues and expenses.

(c) 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.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. These rates represent the weighted average rates at which the company trades in foreign currency.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments.

All foreign exchange gains and losses recognised in the statement of comprehensive income are presented net in the statement of comprehensive income within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

(iii) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and borrowings are taken to stockholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Revenue recognition

Revenues from service contracts with customers consist primarily of hotel revenue from guests reservations, management fees and rental income. These service contracts generally impose single performance obligations, each consisting of a series of similar related services to the guests. The Group's performance obligations within these service arrangements are generally satisfied over time as the guests receive and consume contracted benefits.

Revenue from service contracts with customers is recognised when (or as) the Group satisfies the performance obligation of the contract. For obligations satisfied over time, revenue is recognised daily over the reservation period. For performance obligations satisfied at a point in time, revenue is recognised at that point in time.

(i) Interest income

Interest income on financial assets at amortised costs and fair value through profit or loss is recognised in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

(ii) Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in the income statement.

(iii) Unrealised gains

Unrealised gains or losses on appreciation or depreciation of value in Sigma Real Estate Portfolio and investment securities are recognised in income statement.

(f) Taxation

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred tax is charged or credited to profit in the statement of comprehensive income, except where they relate to items charged or credited to other comprehensive income or equity, in which case, they are also dealt with in other comprehensive income or equity.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes 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 year end.

Deferred tax is the tax 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. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash on hand and deposits held at Group less bank overdrafts and restricted cash.

(h) Securities purchased under agreement to resell

The purchase of securities under resale agreements are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired. The related interest income are recorded on the accrual basis.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Financial assets

(i) Classification of financial assets

IFRS 9 introduces a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets measured at amortized cost
Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are 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 de-recognition is recognised directly in profit or loss and presented in net capital gains and financial assets and liabilities.

Financial assets measured at fair value through profit and loss
Financial assets that do not meet the criteria for amortised cost are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and present net with net capital gains and financial assets and liabilities in the period it arises. Interest income and interest earned on assets measured at fair value through profit and loss Interest income is earned based on the effective interest rate based on the carrying amount before allowances. Interest earned on assets measured at fair value through profit and loss is recognised based on the effective interest rate. For assets that are credit-impaired when purchased or originated, the carrying amount after allowances for ECL is the basis for applying the effective interest rate.

Business model assessment
Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, grouping a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets;
- The historical and future expectations of asset sales within a portfolio.

Solely repayments of principle and interest ("SPPI")
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principle and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets is classified and measured at FVTPL.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Financial assets (continued)

(ii) Impairment of financial assets measured at amortized cost

IFRS 9 introduces an impairment model that requires the recognition of expected credit losses (“ECL”) on financial assets measured at amortised cost which were previously provided for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) (’12-month ECL’).

In the event of a significant increase in credit risk (SICR) an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument (‘lifetime ECL’). Financial assets where 12-month ECL is recognised are considered to be ‘stage 1’; financial assets which are considered to have experienced a significant increase in credit risk are in ‘stage 2’; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in ‘stage 3’. Purchased or originated credit-impaired financial assets (“POCI”) are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower’s industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

(iii) Purchased or originated credit-impaired assets

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower’s financial difficulty that otherwise would not have been considered. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

(iv) Definition of default

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower’s financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(v) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Financial assets (continued)

(vi) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

<u>Measurement</u>

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time.

A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a Grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Group are homogeneous.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes will be updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Financial assets (continued)

(vi) *The general approach to recognising and measuring ECL (continued)*

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information will require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Forward looking information
Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

(j) Inventories

Inventories are stated at the lower of average cost and net realisable value. Cost is determined using the average cost method. In the case of the company, cost represents invoiced cost plus direct inventory-related expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 4(a).

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(l) Property, plant and equipment

Property, plant and equipment, including owner-managed properties, are recorded at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into existing use. Subsequent to their initial recognition, property, plant and equipment are carried at revalued amounts. Revaluations are performed by independent qualified valuers annually.

Increases in the carrying values arising from the revaluations are credited to fair value reserve. Decreases in the carrying values arising from revaluations are first offset against increases from earlier revaluations in respect of the same assets and are thereafter charged to the statement of comprehensive income. All other decreases in carrying values are charged to the statement of comprehensive income. Any subsequent increases are credited to the statement of comprehensive income up to the respective amounts previously charged.

Revaluation surplus realised through the depreciation or disposal of revalued assets are retained in the fair value reserve and will not be available for offsetting against future revaluation losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of position date.

Depreciation is calculated mainly 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 which are estimated as follows:

Buildings	25 - 40 years
Furniture, fixtures and equipment	7-10 years
Computer equipment	3-5 years
Motor vehicles	5 years

Land is not depreciated. No depreciation is provided for construction in progress until they are completed and ready for use.

Property, plant and equipment are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amounts by which the carrying amount of a cash generating unit exceeds the higher of its fair value less costs to sell and its value in use, which is the estimated net present value of future cash flows to be derived from the cash generating unit.

Repairs and maintenance expenses are charged in arriving at profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

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

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Investment property

Investment property consists of freehold land and freehold properties which are held for rental income and/or capital appreciation.

Investment property is recorded initially at cost. In subsequent financial years, investment property is recorded at fair values determined by independent valuers, with the appreciation or depreciation in value being taken to investment income.

Investment property may include property of which a portion is held for rental to third parties and the other portion is occupied by the Group. In such circumstances, the property is accounted for as an investment property if the Group's occupancy level is not significant in relation to the total available occupancy. Otherwise, it is accounted for as owner-occupied property.

Rental income is recognised on an accruals basis.

(n) Impairment of non-financial assets

Property, plant and equipment and other assets, excluding goodwill, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows.

(o) Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life of five years. Intangible assets with indefinite useful lives are assessed for impairment annually, or more frequently if events changed in circumstances indicate a potential impairment.

(p) Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities are recognise when guests prepay for reservation.

(q) Leases

As lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(r) Financial Liabilities

(i) Classification of financial liabilities

Financial liabilities are measured at initial recognition at fair value and are classified as and subsequently measured either at amortised cost, or at fair value through income (FVTPL). Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(ii) Loans and debt obligations

Bank overdrafts are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of comprehensive income as finance cost.

(s) Share capital

Common shares which are non-redeemable, and for which the declaration of dividends is discretionary are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Shares are classified as equity when there is no obligation to transfer cash or other assets.

(t) Dividends

Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the company's Board of Directors.

(u) Fair Value and Other Reserves

Carried in the fair value reserve and other reserves are the increase/decrease in the carrying value arising from the revaluations of property plant and equipment; and the Group's share of change in reserve of associated company.

The other reserve includes movements on interest rate swap and retirement benefit obligation. The associated company, Playa Hotels & Resorts N.V. had elected to adopt hedge accounting and designate its existing interest rate swaps as cash flow hedges. Changes in the fair value of our interest rate swaps that qualifies as effective cash flow hedges is recorded through other comprehensive loss ("OCI"). Unrealized gains and losses in accumulated other comprehensive loss are reclassified to interest expense as interest payments are made Note 31.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

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

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

In the process of applying the Group's accounting policy management has made the following significant judgement regarding the amounts recognised in the financial statements:

(i) Investment in associate

As at July 1, 2018 the Group's has shareholdings in Playa of 15.33%. The holdings were diluted in June 2020 when the Playa issued 20,000,000 ordinary shares. The interest in Playa at year end is 14.87% (2019-15.49%). From an accounting perspective, IAS 28 (Investments in Associate and Joint Ventures) paragraph 5, 6 and 8 guidance was considered as follows:

Where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: representation on the board of directors or equivalent governing body of the investee; participation in the policy-making process, including participation in decisions about dividends or other distributions; material transactions between the entity and the investee; interchange of managerial personnel; or provision of essential technical information

In assessing whether potential voting rights contribute to significant influence, the entity examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential rights, except the intentions of management and the financial ability to exercise or convert those potential rights. Management has one representation on the Board out of ten and are also members of two strategic Board committees.

Management has concluded, given its participation in the policy-making decisions, significant involvement in, and influence over decision making of Playa, this allows them to clearly demonstrate influence over Playa financial and operating results even though the X Fund Group owns less than 20% of Playa shares - rebuttable presumption.

Management has concluded after taking the above into consideration that it has significant influence over Playa through its holding and as such is of the view that its strategic investment in the Playa should be treated as an investment in associate in accordance with IAS 28.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. **Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)**

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

The Group makes estimates and assumptions that affect the reported assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of key sources of estimation uncertainty include the following:

Income taxes

The Group is subject to income taxes. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Valuation of owner managed hotel properties and investment property

Freehold land and building are carried in the statement of financial position at fair value. The changes in fair value for owner managed hotels are recognized in fair value reserve' through other comprehensive income and to the income statement for investment property. The Group uses independent qualified property appraisers to value its land and buildings annually. Those fair values were derived using the market value approach and the income capitalization approach, which references market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of property. The most significant input into this valuation approach is price per square foot. Significant increases (decreases) in estimated price per square foot in isolation would result in a significant higher (lower) fair value.

Business combination

In a business combination, the acquirer must allocate the cost of the business combination at the acquisition date by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at fair value at that date. The allocation is based upon certain valuations and other studies performed with the assistance of external valuation specialists. Due to the underlying assumptions made in the valuation process, the determination of those fair values requires estimations of the effects of uncertain future events at the acquisition date and the carrying amounts of some assets, such as intangible assets, acquired through a business combination could therefore differ significantly in the future.

As prescribed by IFRS 3 (revised), if the initial accounting for a business combination can be determined only provisionally by the end of the reporting period in which the combination is effected, the acquirer must account for the business combination using those provisional values and has a twelve month period from the acquisition date to complete the purchase price allocation. Any adjustment of the carrying amount of an identifiable asset or liability made as a result of completing the initial accounting is accounted for as if its fair value at the acquisition date had been recognised from that date.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse 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 Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is a very important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or Groups of related counterparties and to geographical and industry segments.

Credit review process

The Sagicor Group's investment manager, Sagicor Life Jamaica Limited, manages the Group's exposure to credit risk relating to investment by reviewing the ongoing financial status of each counterparty. The Company's Finance Department has responsibility for conducting credit reviews for customers through regular analysis of the ability of financial institutions and other counterparties to meet repayment obligations.

(i) *Investments*

The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Debt securities by rating category	2020	2019
B	189,036	291,094
	189,036	291,094

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Receivables

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Finance Department assesses the credit worthiness of customers prior to the Group offering them a credit facility. Customer credit risk are monitored according to their credit characteristics such as whether it is an individual or Company, geographic location, industry, aging profile, and previous financial difficulties.

Maximum exposure to credit risk

The Group and Company's maximum exposure to credit risk at the year-end were as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	$000	**$000**	**$000**	**$000**
Trade receivables	82,135	196,862	-	-
Other receivable	496	913	-	-
Due from related parties	430,270	217,034	-	-
Financial assets at fair value through profit or loss	189,036	291,094	-	96,825
Securities purchased under agreement to resell	134,975	246,240	827	1,332
Cash and cash equivalent (excluding cash on hand)	1,379,691	2,023,697	4,033	3,910
	2,216,603	2,975,840	4,860	102,067

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

i. trade receivables for the provision of services, and
ii. Other receivables

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

i. Trade Receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2020 and 31 December 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation and foreign exchange rate of the country in which it sells services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows for trade receivables:

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	0%	0%	0%	50%	0.017%
Gross carrying amount $’000	81,223	365	533	28	82,149
Loss allowance provision $’000	-	-	-	14	14

31 December 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	0.87%	5.88%	97.97%	94.02%	
Gross carrying amount ’000	185,792	12,584	3,355	13,020	214,751
Loss allowance provision $’000	1,621	739	3,287	12,242	17,889

The creation and release of provision for impaired receivables have been included in administration expenses in statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Other impairment losses recorded in the income statement on other financial assets amounted to Nil (2019 - $2,541,000).

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances. The Group's average credit period on the sale of service is 30 days. The Group has provided fully for all trade receivables that are over 90 days past due based on historical experience which dictates that amounts past due beyond 90 days are generally not recoverable.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Analysis of trade receivables

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

	2020 $'000	2019 $'000
Travel agents	21,227	159,902
Other	60,922	54,849
	82,149	214,751
Less: Impairment loss	(14)	(17,889)
	82,135	196,862

The closing loss allowance provision for trade receivables as at 31 December 2020 and 2019 reconciles to the opening loss allowance for that provision as follows:

	2020 $'000	2019 $'000
Opening loss allowance at 1 January	17,889	10,237
Impairment losses:		
Increase in loss allowance	-	7,652
Receivables amount previously provided for, now written off	(14,547)	-
Unused amounts reversed	(3,328)	-
At 31 December 2020	14	17,889

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Net impairment losses on financial assets recognised in profit or loss

During the year, the following losses were recognised in the income statement in relation to impaired financial assets:

	2020 $'000	2019 $'000
Movement in loss allowance for trade receivables	-	7,652
Impairment loss on other financial assets	-	2,541
Adjustment to joint operation	-	(570)
Reversal of previous impairment losses	(3,328)	-
	(3,328)	9,623

i. Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt instruments that are measured at the fair value through profit or loss. The maximum exposure at the reporting period is the carrying amount of these investments $972,779,000 (2019- $1,162,737,000).

(b) Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of Grouping through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's liquidity management process includes monitoring future cash flows and liquidity on a daily basis.

Liquidity risk management process

The Group's liquidity management process, as carried out and monitored by the Finance 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 high grade collateral which could be used to secure financing required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investment;

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

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Group and the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	The Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
31 December 2020	$000	$000	$000	$000	$000
Payables	272,242	-	-	-	272,242
Borrowings	1,639,758	766,984	8,764,056	-	11,170,798
	1,912,000	766,984	8,764,056	-	11,443,040

	The Company				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
31 December 2020	$000	$000	$000	$000	$000
Payables	3,806,153	-	-	-	3,806,153
Borrowings	-	320,543	2,764,356	-	3,084,899
	3,806,153	320,543	2,764,356	-	6,891,052

	The Group				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
31 December 2019	$000	$000	$000	$000	$000
Payables	868,215	-	-	-	868,215
Borrowings	204,894	2,450,098	2,742,854	8,165,203	13,563,049
	1,073,109	2,450,098	2,742,854	8,165,203	14,431,264

	The Company				
	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
31 December 2019	$000	$000	$000	$000	$000
Payables	3,796,397	-	-	-	3,796,397
Borrowings	27,496	2,615,001	295,032	-	2,937,529
	3,823,893	2,615,001	295,032	-	6,733,926

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

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

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising mainly from the US dollar currency exposure. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances. Payments of foreign liabilities are also made timely.

Concentration of currency risk

The table below summaries the Group and Company exposure to foreign currency exchange rate risk at 31 December.

	The Group		
	2020		
	J$ J$'000	US$ J$'000	Total J$'000
Financial Assets			
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	294,476	29,535	324,011
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	783,743	-	783,743
Cash resources	493	1,379,198	1,379,691
Receivables	430,270	82,631	512,901
Total financial assets	1,508,982	1,491,364	3,000,346
Financial Liabilities			
Payables	112,779	159,463	272,242
Borrowings	1,969,483	7,576,800	9,546,283
Total financial liabilities	2,082,262	7,736,263	9,818,525
Net financial position	(573,280)	(6,244,899)	(6,818,179)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Company		
	2020		
	J$ J$'000	**US$ J$'000**	**Total J$'000**
Financial Assets			
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	297	530	827
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	-	-	-
Cash resources	36	3,997	4,033
Total financial assets	333	4,527	4,860
Financial Liabilities			
Payables	3,806,153	-	3,806,153
Borrowings	2,654,419	315,000	2,969,419
Total financial liabilities	6,460,572	315,000	6,775,572
Net financial position	(6,460,239)	(310,473)	(6,770,712)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group		
	2019		
	J$ J$'000	US$ J$'000	Total J$'000
Financial Assets			
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	342,290	195,044	537,334
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	871,643	-	871,643
Cash resources	13,350	2017,307	2,030,657
Receivables	217,445	197,364	414,809
Total financial assets	1,444,728	2,409,715	3,854,443
Financial Liabilities			
Payables	599,474	268,741	868,215
Borrowings	3,162,755	6,968,899	10,131,654
Total financial liabilities	3,762,229	7,237,640	10,999,869
Net financial position	(2,317,501)	(4,827,925)	(7,145,426)

	The Company		
	2019		
	J$	US$	Total
Financial Assets	J$'000	J$'000	J$'000
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	205	97,952	98,157
Cash resources	85	3,825	3,910
Total assets	290	101,777	102,067
Financial Liabilities			
Payables	3,796,397	-	3,796,397
Borrowings	2,589,636	291,150	2,880,786
Total financial liabilities	6,386,033	291,150	6,677,183
Net financial position	(6,385,743)	(189,373)	(6,575,116)

Foreign currency sensitivity

The following table indicates the currencies to which the Group and Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for changes in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US dollar denominated receivables, trade payables, borrowings, Group balances, investment securities and cash and cash equivalent balances.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group			
Currency:	**Change in Currency Rate 2020**	**Effect on Pre-tax Profit 2020**	**Change in Currency Rate 2019**	**Effect on Pre-tax Profit 2019**
USD	**%**	**$'000**	**%**	**$'000**
Revaluation	4	(249,520)	4	(193,117)
Devaluation	6	374,280	6	289,676

	The Company			
Currency:	**Change in Currency Rate 2020**	**Effect on Pre-tax Profit 2020**	**Change in Currency Rate 2019**	**Effect on Pre-tax Profit 2019**
USD	**%**	**$'000**	**%**	**$'000**
Revaluation	4	(12,419)	4	(4,071)
Devaluation	6	18,628	6	6,107

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to 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 risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group and Company's exposure to interest rate risk are as follows:

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group and Company's exposure to interest rate risk are as follows:

	The Group					
	1 to 3 Months	4 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
31 December 2020	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Assets						
Financial investments and securities purchased under agreement to resell	43,607	91,087	31,676	152,358	5,283	324,011
Investment in Sagicor Sigma Global Funds –Sigma Real Estate Portfolio		-	-	-	783,743	783,743
Receivables		-	-	-	512,901	512,901
Cash resources	1,379,691	-	-	-	6,896	1,386,587
Non-financial assets:						
Other assets	-	-	-	-	562,250	562,250
Investment in associate	-	-	-	-	15,844,877	15,844,877
Property, plant and equipment	-	-	-	-	12,560,859	12,560,859
Investment property	-	-	-	-	-	-
Goodwill	-	-	-	-	923	923
Inventories	-	-	-	-	27,337	27,337
Total assets	1,423,298	91,087	31,676	152,358	30,305,069	32,003,488
Liabilities						
Payables	-	-	-	-	272,242	272,242
Borrowings	1,538,961	492,665	7,379,935	-	134,722	9,546,283
Non-financial liabilities:						
Contract liabilities	-	-	-	-	59,454	59,454
Other Liabilities	-	-	-	-	79,020	79,020
Taxation payable		-	-	-	-	-
Deferred income taxes		-	-	-	667,289	667,289
	1,538,961	492,665	7,379,935	-	1,212,727	10,624,288
Total interest repricing gap	(115,663)	(401,578)	(7,348,259)	152,358	29,092,342	21,379,200
Cumulative repricing gap	(115,663)	(517,241)	(7,865,500)	(7,713,142)	21,379,200	

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company					
31 December 2020	**1 to 3 Months $000**	**4 to 12 Months $000**	**2 to 5 Years $000**	**Over 5 Years $000**	**Non-Interest Bearing $000**	**Total $000**
Assets						
Financial investments and securities purchased under agreement to resell	827	-	-	-	-	827
Receivables	-	-	-	-	-	-
Cash resources	4,033	-	-	-	-	4,033
Non-financial assets:						
Other assets	-	-	-	-	2,181	2,181
Deferred income taxes	-	-	-	-	744	744
Investment in subsidiaries	-	-	-	-	24,008,822	24,008,822
Total assets	4,860	-	-	-	24,011,747	24,016,607
Liabilities						
Payables	-	-	-	-	3,806,153	3,806,153
Borrowings	-	313,177	2,589,635	-	66,607	2,969,419
Total liabilities	-	313,177	2,589,635	-	3,872,760	6,775,572
Total interest repricing gap	4,860	(313,177)	(2,589,635)	-	20,138,987	17,241,035
Cumulative repricing gap	4,860	(308,317)	(2,897,952)	(2,897,952)	17,241,035	

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group					
31 December 2019	**1 to 3 Months $000**	**4 to 12 Months $000**	**2 to 5 Years $000**	**Over 5 Years $000**	**Non-Interest Bearing $000**	**Total $000**
Assets						
Financial investments and securities purchased under agreement to resell	155,456	90,466	-	283,224	8,188	537,334
Investment in Sagicor Sigma Global Funds –Sigma Real Estate Portfolio	-	-	-	-	871,643	871,643
Receivables	-	-	-	-	928,223	928,223
Cash resources	2,023,697	-	-	-	6,960	2,030,657
Non-financial assets:						
Investment in associate	-	-	-	-	27,926,492	27,926,492
Property, plant and equipment	-	-	-	-	14,858,281	14,858,281
Investment property	-	-	-	-	2,033,593	2,033,593
Goodwill	-	-	-	-	923	923
Inventories					35,286	35,286
Total assets	2,179,153	90,466	-	283,224	46,669,589	49,222,432
Liabilities						
Payables	-	-	-	-	994,962	994,962
Borrowings	29,233	2,026,778	1,133,773	6,802,545	139,324	10,131,653
Non-financial liabilities:						
Contract liabilities	-	-	-	-	248,016	248,016
Taxation payable	-	-	-	-	31,731	31,731
Deferred income taxes	-	-	-	-	1,330,699	1,330,699
	29,233	2,026,778	1,133,773	6,802,545	2,744,732	12,737,061
Total interest repricing gap	2,149,920	(1,936,312)	(1,133,773)	(6,519,321)	43,924,857	36,485,371
Cumulative repricing gap	2,149,920	213,608	(920,165)	(7,439,486)	36,485,371	

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company					
31 December 2019	**1 to 3 Months $000**	**4 to 12 Months $000**	**2 to 5 Years $000**	**Over 5 Years $000**	**Non-Interest Bearing $000**	**Total $000**
Assets						
Financial investments and securities purchased under agreement to resell	1,332	-	-	93,965	2,860	98,157
Receivables	-	-	-	-	1,323	1,323
Cash resources	3,910	-	-	-	-	3,910
Non-financial assets:						
Deferred income taxes	-	-	-	-	744	744
Investment in subsidiaries	-	-	-	-	24,008,822	24,008,822
Total assets	5,242	-	-	93,965	24,013,749	24,112,956
Liabilities						
Payables	-	-	-	-	3,796,397	3,796,397
Borrowings	-	2,360,371	290,901	-	230,884	2,882,156
Total liabilities	-	2,360,371	290,901	-	4,027,281	6,678,553
Total interest repricing gap	5,242	(2,360,371)	(290,901)	93,965	19,986,468	17,434,403
Cumulative repricing gap	5,242	(2,355,129)	(2,646,030)	(2,552,065)	17,434,403	

Interest rate sensitivity

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 Company earns interest on its investments in debt securities and pays interest on its borrowings (Notes 20, 22,23, 24 & 27). Accordingly, the Group does not have significant exposure to interest rate risk.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

5. Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital and ensure that the Group is not in breach of its loan covenants.

6. Fair Value of Financial Instruments

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

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

(i) Investments in unit trusts are based on prices quoted by the Fund managers.

(ii) The fair values of financial investments are measured by reference to quoted market prices or dealer quotes when available.

(iii) The fair value of current assets and liabilities approximate their carrying value due to the short term nature of these instruments.

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at 31 December 2020, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

6. Fair Value of Financial Instruments (Continued)

	The Group			
	2020			
	Level 1	Level 2	Level 3	Total
Financial Assets	$'000	$'000	$'000	$'000
Investments in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	-	-	783,743	783,743
Financial assets at fair value through profit or loss	-	189,036	-	189,036
	-	189,036	783,743	972,779
Non-Financial Assets				
Property Plant and Equipment	-	-	12,560,859	12,560,859
Investment Property	-	-	-	-
	-	189,036	13,344,602	13,533,638

	The Group			
	2019			
	Level 1	Level 2	Level 3	Total
Financial Assets	$'000	$'000	$'000	$'000
Investments in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	-	-	871,643	871,643
Financial assets at fair value through profit or loss	-	291,094	-	291,094
	-	291,094	871,643	1,162,737
Non- Financial Assets				
Property Plant and Equipment	-	-	14,858,281	14,858,281
Investment Property	-	-	2,033,593	2,033,593
	-	291,094	17,763,517	18,054,611

	The Company			
	2020			
	Level 1	Level 2	Level 3	Total
Financial Assets	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss	-	-	-	-
	-	-	-	-

	The Company			
	2019			
	Level 1	Level 2	Level 3	Total
Financial Assets	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss	-	96,825	-	96,825
	-	96,825	-	96,825

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

6. Fair Value of Financial Instruments (Continued)

Reconciliation of level 3 items –

	The Group		The Company	
	2020 $000	2019 $000	2020 $000	2019 $000
Balance at beginning of year	871,643	774,861	-	-
Redemptions		-	-	-
Total gains statement of comprehensive income	(87,900)	96,782	-	-
Balance at end of period	783,743	871,643	-	-

The gains or losses recorded in the statement of comprehensive income are included in Note 8.

	The Group			
	Property, Plant and Equipment 2020 $'000	Investment Property 2020 $'000	Property, Plant and Equipment 2019 $'000	Investment Property 2019 $'000
Balance at beginning of year	14,858,281	2,033,593	14,766,405	1,922,362
Additions net of transfers and disposals	174,635	(2,033,593)	275,215	-
Total gain – income or expenditure	(963,050)	-	(763,476)	111,231
Total gain – other comprehensive income	(2,686,372)	-	70,050	-
Translation adjustment	1,177,365	-	510,087	-
Balance at end of year	12,560,859	-	14,858,281	2,033,593

The following table summarizes the quantitative information about the significant unobservable inputs used to measure the Group's Level 3 financial instruments:

Description	Fair value at		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2020 $'000	2019 $'000		2020	2019	
The Group:						
Investment in Sigma Real Estate Portfolio	783,743	871,643	Computed unit prices	10%	10%	If the estimated fair values were higher/lower by 10% the value would increase by $78,374 (2019 - $87,164)
Property, plant and equipment	12,560,859	14,858,281	Income capitalisation	5%	5%	Increase in comparable sale process will have a direct correlation to fair value.
Investment Property	-	2,033,593	Income capitalisation	5%	5%	Increase in comparable sale process will have a direct correlation to fair value.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

7. Segmental Financial Information

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organised into two primary business segments:

(a) Hotel operations – direct ownership and operation of hotels.

(b) Indirect hotel operations and commercial – indirect investment in real estate via the Sagicor Sigma Global Funds and Jamziv.

(c) Other – comprises of other investment assets and other liabilities.

There was no transaction between the operating segments during 2020 or 2019.

The Group – Continued Operations

2020

	Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	2,427,344	-	18,525	-	2,445,869
Net capital gains on financial assets and liabilities	(2,939)	(87,900)	(1,830)	-	(92,669)
Total revenue	2,424,405	(87,900)	16,695	-	2,353,200
Operating expenses	(2,117,431)	(91,978)	-	-	(2,209,409)
Depreciation	(790,083)	-	-	-	(790,083)
Finance costs	(644,307)	(38,879)	-	-	(683,186)
Operating (loss)/profit	(1,127,416)	(218,757)	16,695	-	(1,329,478)
Share of loss from associates	-	(5,467,297)	-	-	(5,467,297)
Impairment of investment in associate	-	(7,925,022)	-	-	(7,925,022)
Loss on dilution of associate	-	(391,296)	-	-	(391,296)
(Loss)/profit before taxation	(1,127,416)	(14,002,372)	16,695	-	(15,113,093)
Taxation	183,685	21,975	(3,941)	-	201,719
Net (loss)/profit	(943,731)	(13,980,397)	12,754	-	(14,911,374)
Segment assets	21,787,740	16,629,543	4,860	(6,418,655)	32,003,488
Segment liabilities	10,271,309	6,733,426	38,208	(6,418,655)	10,624,288

The Group's geographic information:

	Jamaica	United States of America	Total
	2020		
	$'000	$'000	$'000
Revenue	(74,144)	2,427,344	2,353,200
Total assets	2,004,430	29,999,058	32,003,488

Geographically, the segments are Jamaica and United States of America.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

7. Segmental Financial Information (Continued)

	The Group – Discontinuing Operations				
	2020				
	Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	226,703	-	-	-	226,703
Total revenue	226,703	-	-	-	226,703
Operating expenses	(273,341)	-	-	-	(273,341)
Depreciation	(48,343)	-	-	-	(48,343)
Loss on disposal of joint operation	(382,047)	-	-	-	(382,047)
Profit before taxation	(477,028)	-	-	-	(477,028)
Taxation	-	-	-	-	-
Net loss	(477,028)	-	-	-	(477,028)

Geographically, the segment for discontinued operation is Jamaica.

	The Group				
	2019				
	Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	5,274,289	-	23,723	-	5,298,012
Net capital gains on financial assets and liabilities	259,259	96,782	12,389	-	368,430
Total revenue	5,533,548	96,782	36,112	-	5,666,442
Operating expenses	(3,865,137)	(83,777)	-	-	(3,948,914)
Depreciation	(724,427)	-	-	-	(724,427)
Finance costs	(608,121)	(37,929)	-	-	(646,050)
Operating profit/(loss)	335,863	(24,924)	36,112	-	347,051
Share of loss from associates	-	(98,662)	-	-	(98,662)
Profit/(loss) before taxation	335,863	(123,586)	36,112	-	248,389
Taxation	(101,458)	(22,979)	(210,692)	-	(335,129)
Net profit/(loss)	234,405	(146,565)	(174,580)	-	(86,740)
Segment assets	26,668,350	28,799,058	102,067	(6,347,044)	49,222,431
Segment liabilities	12,407,664	6,638,195	38,246	(6,347,044)	12,737,061

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

7. Segmental Financial Information (Continued)

The Group's geographic information:

	Jamaica	United States of America	Total
	2020		
	$'000	$'000	$'000
Revenue	392,158	5,274,284	5,666,442
Total assets	4,514,514	44,707,917	49,222,431

Geographically, the segments are Jamaica and United States of America.

	The Group – Discontinuing Operations				
	2019				
	Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	631,949	-	-	-	631,949
Total revenue	631,949	-	-	-	631,949
Operating expenses	(571,186)	-	-	-	(571,186)
Depreciation	(50,999)	-	-	-	(50,999)
Profit before taxation	9,764	-	-	-	9,764
Taxation	-	-	-	-	-
Net profit	9,764	-	-	-	9,764

Geographically, the segment for discontinued operation is in Jamaica.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

8. Revenue

	The Group		The Company	
	2020	2019	2020	2019
Net Investment Income	$'000	$'000	$'000	$'000
Interest Income:				
Securities purchased under Agreement to resell	1,852	3,603	108	40
Bank deposits	47	50	4	5
Financial assets	16,626	20,070	2,626	6,070
	18,525	23,723	2,738	6,115
Net capital gains on financial assets and liabilities:				
Unrealized capital gains on units in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio:	(87,900)	96,782	-	
Net capital losses gains/(losses) on other investment securities	(12,764)	14,726	(7,538)	5,672
Net capital gains on other investment property	-	111,231	-	-
Net foreign exchange gains/(losses)	7,462	(1,167)	5,683	3,467
	(93,202)	221,572	(1,855)	9,139
Hotel Revenue:				
Service contract revenue				
Rooms	1,734,940	3,831,755	-	-
Food and beverage	435,633	1,059,014	-	-
Rental income	19,582	36,244	-	-
Gift shop	-	-	-	-
Health club	-	-	-	-
Other departments	213,601	333,613	-	-
Gain on disposal of property, plant and equipment	-	-	-	-
Other	23,588	13,663	-	-
	2,427,344	5,274,289	-	-

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

9. Expenses by Nature

Total direct, administration and other operating expenses recognised were:

	The Group 2020 $'000	The Group 2019 $'000
(a) Direct Expenses -		
Rooms	188,066	353,915
Food and beverage	113,829	334,401
Other operated departments	105,432	162,134
Staff costs (Included in Note 10)	658,132	1,386,485
	1,065,459	2,236,935

(b) Administration and other operating expenses-

	The Group 2020 $'000	The Group 2019 $'000	The Company 2020 $'000	The Company 2019 $'000
Advertising and promotion	116,125	259,058	-	2,245
Audit fees	51,563	70,809	9,403	24,805
Bank charges	1,301	1,834	-	59
Commission expense (travel agents and others)	63,947	135,701	-	-
Credit card commissions	39,196	107,589	-	-
Depreciation	790,083	724,427	-	-
Director fees	16,476	19,330	16,476	19,330
Guest transportation	20	299	-	-
Insurance	82,858	52,436	3,386	1,336
Management fees to operator of hotel properties	52,307	120,007	-	-
Other taxes	187,162	166,935	-	-
Professional and legal fees	68,041	68,128	59,270	32,633
Rent	4,924	5,479	-	-
Repairs and maintenance	89,933	128,277	-	-
Security	612	551	-	-
Staff costs (Included in Note 10)	76,224	133,347	-	-
Trade name fees	92,475	205,310	-	-
Utilities	134,706	164,822	-	-
Other	69,408	66,348	3,448	3,367
	1,937,361	2,430,687	91,983	83,775
Net impairment loss on financial assets (Note 4(a))	(3,328)	5,719	-	-
Total operating expenses	2,999,492	4,673,341	91,983	83,775

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

10. Staff Costs – Direct and Indirect

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Salaries	548,378	1,160,869	-	-
Payroll taxes – employer's portion	42,184	77,373	-	-
Pension	6,375	14,130	-	-
Allowances and benefits	138,706	248,767	-	-
Other	(1,287)	18,693	-	-
	734,356	1,519,832	-	-

The average number of persons employed by Group and the Company was as follows:

	The Group	
	2020	2019
Full time	84	5
Part time	14	350
	98	355

11. Finance Costs

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Interest expense -				
Amortisation of upfront fees on loan	19,347	18,866	327	468
Mortgage and other notes	560,897	562,423	64,784	-
Structured loans	14,854	16,690	14,854	118,102
Foreign exchange losses	88,088	48,071	23,697	20,771
	683,186	646,050	103,662	139,341

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

12. Taxation

The taxation charge is computed on the profit or loss for the period, adjusted for tax purposes, and comprises income tax at predominantly 1%, 25% and 21% for 2020 and 2019:

	The Group		The Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Current year tax	-	190,187	-	-
Adjustment to prior year tax estimate	-	(27,135)	-	-
Total current tax expense	-	163,052	-	-
Deferred income tax (Note 28)	(201,719)	172,077	-	1,663
	(201,719)	335,129	-	1,663
Taxation is attributable to:				
Profit/(loss) from continuing operations	(201,719)	335,129	-	1,663
Profit from discontinued operations	-	-	-	-
	(201,719)	335,129	-	1,663

Reconciliation of applicable tax charge to effective tax charge:

	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Profit/(loss) before taxation from continuing operations	(15,113,093)	258,153	(194,738)	(204,612)
Profit before taxation from discontinuing operations	(477,028)	-	-	-
	(15,590,121)	258,153	(194,738)	(204,612)
Tax calculated at 1%	(1,947)	(2,046)	(1,947)	(2,046)
Tax calculated at 25%	(3,764,893)	322,689	-	-
Tax calculated at 21%	(167,820)	89,221	-	-
Adjusted for the effects of:	-		-	-
Adjustment to prior year tax provision	-	(27,136)		
Prior year deferred tax adjustment	-	(2,262)	-	-
Income not subject to tax	(43,551)	(63,022)	(9)	-
Irrecoverable foreign exchange losses recognised on loans used for capital projects	-	(85,138)	-	-
Expenses not deductible for taxation purposes	3,694,021	40,507	1,956	-
Net effect of other charges and Allowances	82,471	62,316	-	3,709
Taxation (credit)/expense	(201,719)	335,129	-	1,663

Tax losses available to the Company at 31 December 2020 for set-off against future taxable profits amount to approximately $304,981,543 (2019 - $91,621,000) and may be carried forward for up to 6 years. Additionally, one of the Group's subsidiary has tax losses available for set-off against future profits of approximately $385,440,403 (2019 - $159,068,000) that begin to expire in 2035.

Notes to the Financial Statements
31 December 2020
(expressed in Jamaican dollars unless otherwise indicated)

13. Earnings per Share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to ordinary stockholders by the weighted average number of ordinary shares in issue during the period.

	2020 $'000	2019 $'000
From continuing operations attributable to the ordinary equity holders of the company	(4.24)	(0.02)
From discontinued operations	(0.21)	-
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	($4.45)	($0.02)
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share		
From continuing operations	(9,510,031)	(48,074)
From discontinued operations	(477,028)	9,764
	(9,987,059)	(38,310)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	2,243,005	2,243,005

14. Investment in Subsidiaries

	The Company	
	2020 $'000	2019 $'000
Shares in:		
X Fund Properties Limited	9,518,204	9,518,204
Jamziv	14,490,618	14,490,618
	24,008,822	24,008,822

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

15. Investment in Associated Company

On June 2, 2018, Sagicor Real Estate X Fund Limited, X Fund Properties Limited and Sagicor Sigma Global Funds, referred to thereafter as the "Sagicor Entities" entered a definitive agreement for a business combination with Playa. In exchange, Sagicor Entities received 20 million shares of Playa common stock and US$100 million in cash. X Fund Group controls 14.87% (2019-15.49%) of the 134,496,340 (December 2019-129,121,576) shares outstanding by Playa, through its subsidiary company, Jamziv. Based on X Fund's Group levels of investment in, and significant influence over, Playa, X Fund Group is accounting for its investment in Playa as an associated company from the date of acquisition as required by IAS 28. There were no contingent liabilities relating to the Group's interest in the associated company.

(a) The investment in associated company is represented as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Carrying value 1 January	27,926,492	27,796,598
Share of income statement:		
Income before taxation	(5,480,508)	(448,860)
Income taxes	13,211	350,198
Loss for the period	(5,467,297)	(98,662)
Impairment of investment in associate (ii)	(7,925,022)	-
Loss on dilution of associate (i)	(441,101)	-
Other comprehensive income	(389,931)	(776,264)
Effects of exchange rate changes	2,141,736	1,004,820
Total Comprehensive income	(12,081,615)	129,894
Investment, end of year	15,844,877	27,926,492

(i) During 2020 Jamziv's interest at December 31, 2020 in Playa decreased by 0.62% to 14.87% from 15.49% at December 31, 2019. In June 2020, Playa issued additional shares which resulted in an effective dilution in the Group's interest. The following table shows the breakout of the amounts recorded in the income statement

	2020
	$'000
Group's share of proceeds of new shares issued	419,931
Carrying value of the investment in associate deemed to be disposed of	(861,032)
Loss on dilution of investment in associate	(441,101)
Items recorded in other comprehensive income recycled upon dilution of investment in associate:	
Interest rate swap	(24,237)
Foreign currency translation adjustments	74,042
Total loss on dilution of investment in associate recorded in income statement	(391,296)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

15. Investment in Associated Company (Continued)

(ii) Due to the negative impacts of COVID-19 on projected EBITDA, the Group recorded an impairment loss from the resulting decline in value-in-use.

The carrying values of investment in associated company, Playa and the values indicated by prices quoted on the NASDAQ Indicative Value as at December 31, 2020 and 2019 are as follows:

	Carrying Value	NASDAQ Indicative Value	Carrying Value	NASDAQ Indicative Value
	2020	2020	2019	2019
	$'000	$'000	$'000	$'000
Playa Hotels & Resorts N.V.	15,844,877	16,863,371	27,926,492	22,037,719

(b) Summarised Financial Information of Associated Company

Set out below are the summarized financial information for, Playa Hotels & Resorts N.V., which is accounted for by using the equity method as at December 31, 2020 and 2019.

Summary Statement of Financial Position:

	The Group	
	2020	2019
	$'000	$'000
Current assets:		
Cash resources	24,495,847	2,745,616
Other current assets	11,725,086	17,978,880
	36,220,933	20,724,496
Non-current assets:		
Property, plant and equipment, net	245,366,509	254,108,161
Other non-current asset	19,881,321	14,306,358
	265,247,830	268,414,519
Total Assets	301,468,763	289,139,015
Current liabilities:		
Loan payable	12,859,158	8,436,018
Other liabilities	22,303,283	29,140,523
	35,162,441	37,576,541
Non-current liabilities:		
Loan payable	164,456,512	128,074,173
Other liabilities	21,952,828	17,036,471
Total Liabilities	221,571,781	182,687,185
Net Assets	79,896,982	106,451,830

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

15. Investment in Associated Company (Continued)

(b) Summarised Financial Information of Associated Company (continued)

Summarised statement of comprehensive income for year 2020 and 2019.

	The Group	
	2020 **$'000**	**2019** **$'000**
Revenue	49,116,438	84,444,644
Direct and selling, general and administrative expenses:	(72,278,092)	(81,099,256)
Operating (Loss)/Profit	(23,161,654)	3,345,388
Other operating expense	(50,066)	(424,549)
Interest Expense	(11,570,345)	(5,849,212)
Loss before taxation	(34,782,065)	(2,928,373)
Taxation	88,837	2,284,703
Net Loss after tax	(34,693,228)	(643,670)
Other comprehensive loss	(859,679)	(4,059,533)
Total comprehensive loss	(35,552,907)	(4,703,203)

(c) Reconciliation of the Group's 14.87% (2019 - 15.49%) interest:

	The Group	
	2020 **$'000**	**2019** **$'000**
Share of net assets	12,676,888	16,833,481
Intangible assets including goodwill	3,167,989	11,093,011
Carrying value	15,844,877	27,926,492

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

16. Property, Plant and Equipment

	The Group				
	Land & Buildings	**Computer Equipment**	**Furniture, Fixtures & equipment**	**Capital Work in Progress**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cost or Valuation -					
At 1 January 2019	13,382,640	61,549	2,729,729	1,269	16,175,187
Additions	19,501	82	152,872	114,860	287,315
Transfers	-	-	161	(1,312)	(1,151)
Adjustment to joint operation	-	(2,575)	(8,374)		(10,949)
Revaluation gain	70,050	-	-	-	70,050
Translation adjustment	461,409	-	87,212	44	548,665
At 31 December 2019	13,933,600	59,056	2,961,600	114,861	17,069,117
Additions	19,057	3,288	152,290	-	174,635
Transfers	4,103	-	89,941	(94,044)	-
Revaluation gain	(2,686,372)	-	-	-	(2,686,372)
Translation adjustment	1,118,802	-	222,750	8,796	1,350,348
At 31 December 2020	12,389,190	62,344	3,426,581	29,613	15,907,728
Accumulated Depreciation-					
At 1 January 2019	773,373	15,375	620,034	-	1,408,782
Charges for the year	332,932	14,562	427,932	-	775,426
Disposal	-	(3,428)	(8,522)	-	(11,950)
Translation adjustment	17,439	-	21,139	-	38,578
At 31 December 2019	1,123,744	26,509	1,060,583	-	2,210,836
Charges for the year	344,117	12,156	482,153	-	838,426
Adjustment to joint operation	-	23,679	99,846	1,099	124,624
Translation adjustment	91,458	-	81,525	-	172,983
At 31 December 2020	1,559,319	62,344	1,724,107	1,099	3,346,869
Net Book Value -					
31 December 2019	12,809,856	32,547	1,901,017	114,861	14,858,281
31 December 2020	10,829,871	-	1,702,474	28,514	12,560,859

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

16. Property, Plant and Equipment (Continued)

In accordance with the Group's policy, owner-managed hotels were independently revalued during the year by professional real estate valuators. The excess of the revaluation over the carrying value of these property, plant and equipment on such date, amounting to $1,443,868,000 (2019 – $1,829,401,000), has been credited to fair value reserves. If the revalued assets of the Group were stated on a historical cost basis, the amounts would be as follows:

	The Group	
	2020	**2019**
	$'000	**$'000**
Cost	13,939,291	13,031,190
Accumulated depreciation	(2,822,300)	(2,050,735)
Net book value	11,116,991	10,980,455
Carrying value of revalued assets	12,560,859	12,809,856

17. Investment Property

	The Group	
	2020	**2019**
	$'000	**$'000**
Opening balance	2,033,593	1,922,362
Fair valuation (Note 8 and 35 c)	(373,380)	111,231
Disposals	(1,660,213)	-
	-	2,033,593

Investment property represent the Group's interest in the joint acquisition of real property, Jewel Grande Montego Bay Resort and Spa. Effective September 22,2020, X Fund Properties Limited sold its interest in Jewel Grande Montego Bay Resort and Spa to Sagicor Pooled Investment Fund (Note 35).

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

18. Joint Operation

The below represents the company's share of revenue and expenses from joint operations, Jewel Grande Montego Bay Resorts and Spa.

	The Group	
	2020	2019
	$'000	$'000
Hotel revenue	-	631,949
Expenses:		
Direct expenses	-	228,139
Administrative and other operating expense	-	390,142
Net impairment loss	-	3,904
Total Operating expenses	-	622,185
Net profit	-	9,764

The below represents the Group's share Nil (2019 -24.73%) (Note 1(f)) of the pooled assets and liabilities of the joint operations, Jewel Grande Montego Bay Resorts and Spa for financial periods 2020 and 2019 respectively.

	The Group	
	2020	2019
	$'000	$'000
Non-Current assets		
Property, plant and equipment	-	166,468
Current Assets		
Inventories	-	10,086
Receivables	-	48,388
Cash and cash equivalents	-	175,247
	-	233,721
Total Assets	-	400,189
Current liabilities		
Payables	-	73,206
Contract liabilities	-	60,664
Related parties/	-	266,319
Total Liabilities	-	400,189

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

18. Joint Operation (Continued)

Summarised Financial Information of Joint Operation (continued)

Summarised Statement of Financial Position

Set out below are the summarised financial information of Jewel Grande Montego Bay Resort and Spa, which is accounted for as a joint operation.

	The Group	
	2020	**2019**
	$'000	**$'000**
Current assets		
Cash and cash equivalents	-	708,521
Other current assets	-	236,406
	-	944,927
Non-current assets		
Other non-current asset	-	673,028
Total Assets	-	1,617,955
Current liabilities		
Due to related companies	-	(650,282)
Other liabilities	-	(541,234)
	-	(1,191,516)
Net asset	-	426,439

Summarised statement of comprehensive income

	The Group	
	2020	**2019**
	$'000	**$'000**
Room revenue	-	2,973,114
Other hotel revenue	-	251,496
Other income	-	72,457
	-	3,297,067
Operating expenses	-	(2,445,126)
Staff costs	-	(818,431)
	-	(3,263,557)
Net profit and total comprehensive income	-	33,510

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

19. Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio

The units in the fund and values thereof are:

	The Group		The Company	
	Sigma Real Estate Portfolio	Sigma Real Estate Portfolio	Sigma Real Estate Portfolio	Sigma Real Estate Portfolio
	2020	2019	2020	2019
UNITS	Units	Units	Units	Units
Opening balance	401,919,798	401,919,798	-	-
Redemptions	-	-	-	-
Closing balance	401,919,798	401,919,798	-	-

	The Group		The Company	
	Sigma Real Estate Portfolio		Sigma Real Estate Portfolio	
	2020	2019	2020	2019
VALUE	$'000	$'000	$'000	$'000
Opening balance	871,643	774,861	-	-
Changes in market value of investments	(87,900)	96,782	-	-
Closing balance	783,743	871,643	-	-
Value Per Unit	1.95	2.17	-	-

20. Financial Assets at Fair Value Through Profit or Loss

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Government of Jamaica Bonds	184,034	283,224	-	93,965
Interest receivable	5,002	7,870	-	2,860
	189,036	291,094	-	96,825

Included in the above is pledged debt securities comprising Government of Jamaica 2024 bond with nominal value of $25,000,000 pledged with Jamaica Public Service as free of payment for Jewel Grande Montego Bay resorts and Spa and Government of Jamaica 2046 bond with nominal value of $92,000,000 (2019 - $100,000,000) pledged with Sagicor Investments Jamaica Limited to cover the loan interest payments under the conditions of the loan.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

21. Inventories

	The Group	
	2020 $'000	2019 $'000
Beverage	22,188	5,046
Food	5,149	22,797
Other	-	7,442
	27,337	35,285

22. Receivables

	The Group	
	2020 $'000	2019 $'000
Trade receivables	82,149	214,751
Less: Loss allowance	(14)	(17,889)
	82,135	196,862
Deposits	30,751	33,971
Prepayments	70,942	42,966
Due from related parties (Note 26)	430,270	217,034
General Consumption Tax recoverable	348,240	348,240
Withholding tax recoverable	-	85,201
Income tax recoverable	101,462	-
Other receivables	11,351	3,949
	1,075,151	928,223

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

23. Securities Purchased under Agreements to Resell

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Securities purchased under agreements to resell	134,694	245,922	827	1,332
Interest receivable	281	318	-	-
	134,975	246,240	827	1,332

	The Group		The Company	
Securities purchased under agreements to resell	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Jamaican dollar	105,440	148,021	-	205
United States dollar	29,535	98,219	827	1,127
	134,975	246,240	827	1,332

The effective weighted average interest rates on securities purchased under agreements to resell are as follows:

	The Group		The Company	
	2020 %	2019 %	2020 %	2019 %
Jamaican dollar	1	1	1	1
United States dollar	1.5	2	1.5	2

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

24. Cash and Cash Equivalents

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash in hand	6,896	6,960	-	-
Cash at bank	1,379,691	2,023,697	4,033	3,910
Cash resources	1,386,587	2,030,657	4,033	3,910
Securities purchased under agreements to resell (with contractual maturity of 90 days)	14,909	129,216	827	1,332
Restricted cash	(540,557)	(403,846)	-	-
Cash and cash equivalents	860,939	1,756,027	4,860	5,242

Restricted cash represents cash held by a subsidiary for renovation of the Doubletree Universal Hotel under the Franchise Agreement with Hilton Worldwide for the said property.

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash and cash equivalents	846,030	1,626,811	4,033	3,910
Liquid Investments	14,909	129,216	827	1,332
Borrowings – repayable within one year (including overdraft)	(2,076,972)	(2,397,150)	(315,000)	(2,880,786)
Borrowings – repayable after one year	(7,469,311)	(7,734,503)	(2,654,419)	-
Net Debt	(8,685,344)	(8,375,626)	(2,964,559)	(2,875,544)
Cash and liquid investments	860,939	1,756,027	4,860	5,242
Gross debt – fixed interest rates	(9,546,283)	(10,131,653)	(2,969,419)	(2,880,786)
Net Debt	(8,685,344)	(8,375,626)	(2,964,559)	(2,875,544)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

24. Cash and Cash Equivalents (Continued)

Net Debt Reconciliation (continued)

	The Group			
	Cash and liquid Investments	Borrowings due within 1 year	Borrowings due after 1 year	Total
	$'000	$'000	$'000	$'000
Net debt as at 1 January 2019	1,498,179	(4,051,318)	(6,170,569)	(8,723,708)
Cash flows	153,444	816,909	113,399	1,083,752
Foreign exchange adjustments	(5,515)	(48,071)	-	(53,586)
Other non-cash movements	109,919	885,330	(1,677,333)	(682,084)
Net debt as at 31 December 2019	1,756,027	(2,397,150)	(7,734,503)	(8,375,626)
Cash flows	(1,009,670)	2,013,099	(106,956)	896,473
Foreign exchange adjustments	114,582	(112,328)	499,542	501,796
Other non-cash movements	-	(1,580,593)	(127,394)	(1,707,987)
Net debt as at 31 December 2020	860,939	(2,076,972)	(7,469,311)	(8,685,344)

	The Company			
	Cash and liquid Investments	Borrowings due within 1 year	Borrowings due after 1 year	Total
	$'000	$'000	$'000	$'000
Net debt as at 1 January 2019	376	(2,962,999)	-	(2,962,623)
Cash flows	4,396	221,430	-	225,826
Foreign exchange adjustments	470	(20,771)	-	(20,301)
Other non-cash movements	-	(118,446)	-	(118,446)
Net debt as at 31 December 2019	5,242	(2,880,786)	-	(2,875,544)
Cash flows				
Foreign exchange adjustments	(319)	-	(23,682)	(24,001)
Other non-cash movements	(63)	226,367	(291,318)	(65,014)
Net debt as at 31 December 2020	4,860	(2,654,419)	(315,000)	(2,964,559)

Liquid investments comprise securities purchased under agreements to resell with contractual maturity of 90 days.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

25. Payables and Contract Liabilities

	The Group		The Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
(a) Payables				
Trade	16,576	65,133	-	-
Accruals	111,144	309,667	15,659	31,483
Related parties (Note 26)	80,128	470,668	3,790,494	3,764,914
Withholding and other taxes	79,020	126,747	-	-
Other	64,394	22,747	-	-
	351,262	994,962	3,806,153	3,796,397
(b) Contract liabilities	59,454	248,016	-	-
	410,716	1,242,978	3,806,153	3,796,397

26. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include ultimate parent company, parent company, fellow subsidiaries and associated company. Related parties include directors, key management and companies for which the company and its parent company are provided with management services.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances (Continued)

(a) Related party transactions

The following transactions were carried out with related parties:

(i) Revenue and interest income -

	The Group		The Company	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Revenue -				
Hotel and other income-				
Advantage General Insurance Company Limited	2,314	-	-	-
Sagicor Investments Jamaica Limited	-	396	-	
Sagicor Life Jamaica Limited	-	4,134	-	-
Sagicor Employer Benefits Administrator Limited	-	229	-	-
	2,314	4,759	-	-
Interest income -				
Affiliated company- Sagicor Investment Jamaica Limited	1,744	3,603	-	40
Affiliated company- Sagicor Bank Jamaica Limited	43	50	-	5
	1,787	3,653	-	45
Unrealized capital (losses)/gains on units in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	(87,900)	96,782	-	-
	(87,900)	96,782	-	-

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances (Continued)

(a) Related party transactions (continued)

The following transactions were carried out with related parties:

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
(ii) Administration expenses, Management fees and interest expense				
Administration and other operating expenses -				
Insurance expense -				
Sagicor Re Insurance Ltd.	3,717	897	3,386	897
	3,717	897	3,386	897
Interest expense -				
Sagicor Re Insurance Limited	8,420	-		-
Sagicor Sigma Global Funds	729	-		-
Sagicor Pooled Pension Funds	57,106	45,336		-
X Fund Properties Limited	-	-	64,784	101,412
	66,255	45,336	64,784	101,412
Management Fees -				
Playa Hotels & Resorts N.V.	2,164	2,604	-	-
Sales and Marketing Fees-				
Playa Hotels & Resorts N.V.	3,911	20,510	-	-
	76,047	69,347	68,170	102,309

(b) Key management compensation

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Salaries	108,312	122,649	-	-
Payroll taxes – employer's portion	9,290	10,351	-	-
Other	25,063	28,359	-	-
	142,665	161,359	-	-
Directors' emoluments –				
Fees	16,476	19,339	16,476	19,339

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

26. Related Party Transactions and Balances (Continued)

(c) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
(i) Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	783,743	871,643	-	-
(ii) Investment in real property – Jewel Grande Montego Bay Resort and Spa	-	2,033,593	-	-
(iii) Cash and cash equivalents -				
Sagicor Bank Jamaica Limited	13,584	19,012	4,033	3,910
(iv) Securities purchased under agreement to resell -				
Affiliated company - Sagicor Investment Jamaica Limited	135,975	246,240	827	1,332
(v) Receivable from related parties -				
Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	-	67,970	-	-
Sagicor Group Jamaica Limited	6,308	-		
Jewel Grande Montego Bay Resort and Spa	237,542	-	-	-
Sagicor Pooled Pension Funds	37,357	-	-	-
Proprietor Strata Plan#2446	149,063	149,064	-	-
	430,270	217,034	-	-
(vi) Payable to related parties -				
Sagicor Bank Jamaica Limited				-
Sagicor Life Jamaica Limited	76,935	7,507	23,294	7,507
Sagicor Sigma Global Funds - Sigma Real Estate Portfolio	3,193	-	3,193	-
Jewel Grande Montego Bay Resort and Spa	-	463,161	-	-
X Fund Properties Limited	-	-	3,790,494	3,757,407
	80,128	470,668	3,816,981	3,764,914
(vii) Borrowings from related parties				
X Fund Properties Limited	-	-	2,654,421	2,589,636
Sagicor Re Insurance Limited	526,421	-	-	-
Sagicor Sigma Global Funds	1,021,587	498,240	-	-
Sigma Principal Protector	101,728	-		
	1,649,736	498,240	2,654,421	2,589,636

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

27. Borrowings

	The Group			The Company		
	Total	**Related party portion (Note 26)**	**Third party Portion**	**Total**	**Related party portion (Note 26)**	**Third party Portion**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	2020					
(a) Structured Products						
Note 1 – USD (i)						
Principal loan balance	313,177	-	313,177	313,177	-	313,177
Unamortised upfront fees on	(123)	-	(123)	(123)	-	(123)
Interest payable	1,946	-	1,946	1,946	-	1,946
	315,000	-	315,000	315,000	-	315,000
Less current portion	(315,000)	-	(315,000)	(315,000)	-	(315,000)
	-	-	-	-	-	-
(b) Notes						
Note 2 (Tranche B) (ii)	500,000	500,000		-	-	-
Note 3 (Tranche A-E) (iii)	1,004,900	154,000	850,900	-	-	-
Wells Fargo/Goldman Sacs Loan (v)	6,575,956	-	6,575,956	-	-	-
Principal loan balance	8,080,856	654,000	7,426,856	-	-	-
Unamortised upfront fees on Loan	(12, 184)	-	(12,184)	-	-	-
Interest payable	16,427	8,975	7,452	-	-	-
	8,085,099	662,975	7,422,124			
Less current portion	(1,622,341	(662,975)	(959,366)	-	-	-
	6,462,758	-	6,462,758	-	-	-
(c) Other Loan						
Development Loan (vi)	159,423	-	159,423	-	-	-
Promissory Notes						
X Fund Properties Limited (vii)	-	-	-	2,360,371	2,360,371	-
Sagicor Re Insurance Limited (viii)	518,159	518,159	-	-	-	-
Pool Investment Fund Limited (ix)	451,071	451,071	-	-	-	-
Interest payable	17,531	17,531	-	294,048	294,048	-
Less current portion	(139,631)	(107,746)	(31,885)	-	-	-
	1,006,553	879,015	127,538	2,654,419	2,654,419	-
Total Long-term borrowings	7,469,311	879,015	6,590,296	2,654,419	2,654,419	-
Total Current portion of	2,076,972	770,721	1,306,251	315,000	-	315,000

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

27. Borrowings (Continued)

	The Group			The Company		
	Total	Related party portion (Note 26)	Third party Portion	Total	Related party portion (Note 26)	Third party Portion
	$'000	$'000	$'000	$'000	$'000	$'000
				2019		
(a) Structured Products						
Note 1 – USD (i)						
Principal loan balance	289,900	-	289,900	289,900	-	289,900
Unamortised upfront fees on	(450)	-	(450)	(450)	-	(450)
Interest payable	1700	-	1,700	1700	-	1,700
	291,150	-	291,150	291,150	-	291,150
Less current portion	(291,150)	-	(291,150)	(291,150)	-	(291,150)
	-	-	-	-	-	-
(b) Notes						
Note 2 (Tranche B) (ii)	500,000	500,000	-	-	-	-
Note 3 (Tranche A-E) (iii)	1,004,900	-	1,004,900	-	-	-
Note 4 (Tranche B) (iv)	567,078	-	567,078	-	-	-
Note 4 (Tranche D) (iv)	1,372,000	-	1,372,000	-	-	-
Wells Fargo/Goldman Sacs Loan (v)	6,258,451	-	6,258,451	-	-	-
Principal loan balance	9,702,429	500,000	9,202,429	-	-	-
Unamortised upfront fees on Loan	(75,178)	(9,650)	(65,528)	-	-	-
Interest payable	36,163	7,890	28,273	-	-	-
	9,663,414	498,240	9,165,174			
Less current portion	(2,075,609)	(7,555)	(2,068,054)	-	-	-
	7,587,805	490,685	7,097,120	-	-	-
(c) Other Loan						
Development Loan (vi)	177,089	177,089	-	-	-	-
Promissory Note (vii)	-	-	-	2,360,371	2,360,371	-
Interest payable	-	-	-	229,265	229,265	-
Less current portion	(30,391)	(30,391)	-	(2,589,636)	(2,589,636)	-
	146,698	146,698	-	-	-	-
Total Long term borrowings	7,734,503	637,383	7,097,120	-	-	-
Total Current portion of borrowings	2,397,150	37,946	2,359,204	2,880,786	2,589,636	291,150

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

27. Borrowings (Continued)

i) *Note 1 – US Dollar (The Company)*

The note attract interest at 4.75% with maturity date May 2021 with option for further extension. The loan is secured by a debenture over units in the Sigma Real Estate Portfolio.

The company failed to meet its debt covenant for total debt to earnings before interest, tax, depreciation and amortisation (EBITDA) ratio. There were no penalties incurred for this breach.

ii) *Note 2 (Tranche B) – Jamaican Dollar (Subsidiary)*

This Note attracts interest at a rate of 9% per annum with maturity in October 2048. Interest is paid semi-annually.

This note is secured by the following:

- This security interest is secured by a charge over Jamziv (which holds Playa shares) allocated to X Fund Properties Limited. A non-recourse New York Pledge shares was executed.
- A debenture collateral to the mortgage creating fixed and floating charge over the X Fund Properties Limited assets and undertakings and;
- Debt Service Reserve Account containing three quarterly interest payments.

In 2020, the subsidiary failed to meet its debt covenant for minimum interest coverage. As a result, the non-current portion of the loans were reclassified to current. There were no penalties incurred for this breach.

iii) *Note 3 (Tranche A-E) – Jamaican Dollar (Subsidiary)*

This Note was issued under five tranches (A,B,C,D,E). Four of the five tranches have fixed coupon ranging from 7% to 11%, with tenure of 2 to 40 years. The fifth tranche is fixed for 2 years at 7% and variable thereafter at 200 basis points above the 3 months weighted average Treasury bill yield. This security interest over the hotel was discharged and substituted for a charge over Jamziv (which holds Playa shares) allocated to X Fund Properties Limited. A non-recourse New York Pledge shares was executed.

In 2020, the subsidiary failed to meet its minimum interest coverage ratio. As a result, the non-current portion of the loans were reclassified to current. There were no penalties incurred for this breach.

iv) *Note 4 (Tranche B& D) (Subsidiary)*

This Note has the following Tranches:
Tranche B in United States Dollar at an interest rate of 5% and matures in September 2020.
Tranche D in Jamaican Dollar at an interest rate of 8.75% and matures in September 2020.
The loan is secured by a charge over Jamziv (which holds Playa shares) allocated to X Fund Properties Limited. A non-recourse New York Pledge shares was executed.

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

27. Borrowings (Continued)

v) Wells Fargo/Goldman Sachs (Subsidiary)
The mortgage note attracts interest at 4.9% per annum and matures October 2025. The mortgage note is secured by the investment in hotel property. The mortgage note accrues interest from the date of the loan with interest due monthly, in arrears, and requires principal and interest payments through maturity upon which the outstanding principal is due and payable. The Group may prepay the mortgage note prior to the maturity date only in conjunction with the sale of a property or as a result of casualty or condemnation.

The mortgage note contains a debt service coverage ratio test and, upon failing to meet the debt service coverage ratio, substantially all the cash flows from the hotel must be directed to accounts controlled by the lender. As at December 31, 2020, the X Fund Properties LLC was not compliant with the debt service coverage ratio. There were no penalties incurred for the breach.

vi) This Note is interest free with annual forgiveness of debt over ten years, if certain conditions are met. The loan commenced in November 2015.

vii) The promissory note held by the parent company, Sagicor Real Estate X Fund is with X Fund Properties Limited. During the year, the loan terms were amended. Interest is charged at 2% (2019-3.8%) per annum and the maturity date has been extended to May 2023.

viii) This represents an unsecured borrowing which attracts interest at 6% per annum and matures September 2023.

ix) This represents an unsecured borrowing which attracts interest at 7.5% per annum and matures September 2025.

28. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate for years 2020 and 2019 of 1% for Sagicor Real Estate X Fund Limited, 25% for X Fund Properties Limited and 21% for X Fund Properties LLC.

	The Group		The Company	
	2020	2019	2020	2019
	$000	$000	$000	$000
Deferred income taxes	(667,289)	(1,330,699)	744	744

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2020	2019	2020	2019
	$000	$000	$000	
Balance at start of year	(1,330,699)	(1,108,151)	744	2,407
Charged to the statement of comprehensive income – (Note 12)	201,719	(172,077)	-	(1,663)
Revaluation of properties	564,138	(14,711)	-	-
Effect of exchange rate translation	(102,447)	(35,760)	-	-
Balance at end of year	(667,289)	(1,330,699)	744	744

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

28. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are attributable to the following items:

	The Group		The Company	
	2020	2019	2020	2019
	$000	$000	$000	$000
Deferred tax assets -				
Interest payable	6,381	3,938		
Tax losses unused	386,406	160,034	966	966
Unrealised foreign currency losses/(gains)	5,972	5,017	(112)	(112)
Accrued vacation	4,133	10,349	-	-
Provisions	4	1,417	-	-
Deferred tax liabilities -				
Property plant and equipment	(1,035,415)	(1,454,698)	-	-
Interest receivable	(1,319)	(1,332)	-	-
Unrealised revaluation gains on investments	(33,451)	(55,424)	(110)	(110)
Net deferred tax liabilities	(667,289)	(1,330,699)	744	744

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

	The Group		The Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Deferred tax assets to be recovered after more than 12 months	386,406	164,491	744	744
Deferred tax liabilities to be recovered after more than 12 months	(1,068,866)	(1,509,832)	-	-

29. Share Capital

	2020 $'000	2019 $'000
Authorised:		
5,000,000,000 ordinary shares	US$5,000,000	US$5,000,000
1 special rights redeemable preference share	US$1	US$1
	US$5,000,001	US$5,000,001

	2020 $'000	2019 $'000
Issued and fully paid -		
2,243,005,125 (2019 - 2,243,005,125 ordinary shares of J$1.00 par value)	12,642,412	12,642,412
1 special rights redeemable preference share	100	100
	12,642,512	12,642,512

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

30. Dividend

No dividend payments during the year.

31. Fair Value and Other Reserves

These comprise:

	The Group	
	2020	**2019**
	$'000	**$'000**
Balance as at start of the year	3,062,656	3,479,364
Fair value gains on property plant and equipment	(2,272,148)	(157,210)
Share of other comprehensive income of associated companies	(72,476)	(259,498)
Transferred to retained earnings	(9,243)	-
Balance at end of the year	708,789	3,062,656

Fair value losses for the group are shown net of deferred taxes of $2,368,749,000 (2019 – $294,191,000) with respect to revaluation adjustments to property, plant and equipment.

32. Net (Loss)/Profit and Retained Earnings

	2020	**2019**
	$'000	**$'000**
(i) Net (loss)/profit dealt with in the financial statements of:		
The company	(194,738)	(206,275)
The subsidiaries	(15,193,664)	129,299
	(15,388,402)	(76,976)
(ii) Retained earnings reflected in the financial statements of:		
The company	4,598,523	4,793,261
The subsidiaries	(5,730,405)	4,052,673
	(1,131,882)	8,845,934

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

33. Financial Instruments

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
(a) Financial assets				
Financial assets at fair value through profit and Loss	189,036	291,094	-	96,825
Financial assets at amortised cost -				
Receivables	82,631	197,775	-	-
Related parties	430,270	217,034	-	-
Securities purchased under agreements to resell	134,975	246,240	827	1,332
Cash resources	1,379,691	2,030,657	4,033	3,910
	2,027,567	2,691,706	4,860	5,242
	2,216,603	2,982,800	4,860	102,067
(b) Financial liabilities				
Financial liabilities at amortised cost -				
Payables	192,114	397,547	15,659	31,483
Borrowings	9,546,283	10,131,654	3,284,419	2,880,787
Related parties	80,128	470,668	3,475,494	3,764,914
	9,818,525	10,999,869	6,775,572	6,677,184

The Group's and Company's financial instruments resulted in the following income, expenses and gains and losses recognised in the statement of comprehensive income:

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
Fair value through profit or loss:				
Interest income	16,626	20,070	2,626	6,070
Net capital gains on units in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	(87,900)	96,782	-	-
Net capital gains/(losses) on other investment securities	(12,764)	14,726	(7,538)	5,672
Net foreign exchange gain/(loss)	7,462	3,180	5,683	3,180
	(76,576)	134,758	771	14,922
Amortised cost:				
Interest income	1,899	3,653	112	45
Net foreign exchange losses	-	(4,347)	-	(20,484)
Net impairment losses on financial assets	3,328	(5,719)	-	-
Finance costs	(683,186)	(646,050)	(103,662)	(139,341)
	(677,959)	(652,463)	(103,550)	(159,780)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

34. Non-Controlling Interests

Summarised financial information on subsidiaries with material non-controlling interests

The Group has 60.81% controlling interest of Jamziv. The non-controlling interests represent the share of net assets and net profit not attributed to the Group.

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group.

Summarised income statement for the period 2020 and 2019:

	Jamziv Mobay Jamaica Portfolio Limited	
	2020 $'000	2019 $'000
Net loss for the period	(13,783,615)	(98,662)
Other comprehensive income/(loss) -		
Re-translation of foreign operation	2,067,694	1,004,820
Revaluation of land and buildings	(246,516)	(349,530)
Share of other comprehensive income of associated company	(118,530)	(426,734)
	1,702,648	228,556
Total comprehensive income for the period	(12,080,967)	129,894
Share relating to entity other than the Group	39.19%	39.19%
Non-controlling interests share of:		
Net loss for the period	(5,401,343)	(38,666)
Other comprehensive income	666,958	89,578
	(4,734,385)	50,912

Summarised balance sheet as at year end:

	The Group	
	2020 $'000	2019 $'000
Current		
Assets	14	13
Total current net assets	14	13
Non-current		
Assets	15,844,877	27,926,492
Total non-current net assets	15,844,877	27,926,492
Net assets	15,844,891	27,926,505
	39.19%	39.19%
Non-controlling interests	6,210,019	10,944,404

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations

(a) Description

The Group's subsidiary X Fund Properties Limited disposed of its interest in Jewel Grande Montego Bay Resort and Spa to Sagicor Pooled Investment Fund effective September 22,2020 for $1,584,065,000.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 22 September 2020.

	Note	2020 $'000	2019 $'000
Hotel revenue	(i)	226,703	631,949
Direct expenses	(ii)	(74,127)	(228,139)
Administrative and other expenses	(iii)	(247,557)	(390,142)
Net impairment losses on financial assets		-	(3,904)
(Loss)/ profit before taxation		(94,981)	9,764
Taxation (Note 12)		-	-
(Loss)/profit after taxation of discontinued operations		(94,981)	9,764
Loss on sale of the hotel operations	(iv)	(382,047)	-
Total comprehensive (loss)/income for the period from discontinued operations		(477,028)	9,764

	2020 $'000	2019 $'000
(i) Hotel Revenue -		
Service contract revenue		
Rooms	137,227	508,271
Food and beverage	72,437	81,668
Other	17,039	42,010
	226,703	631,949

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations (Continued)

(b) Financial performance and cash flow information (continued)

	2020 $'000	2019 $'000
(ii) Direct Expenses -		
Rooms	10,971	38,192
Food and beverage	32,101	111,141
Staff costs	31,055	78,806
	74,127	228,139

	2020 $'000	2019 $'000
(iii) Administration and other operating expenses -		
Advertising and promotion	14,303	30,203
Audit fees	-	21
Bank charges	2,279	2,749
Commission expense (travel agents and others)	6,420	9,552
Credit card commissions	3,521	11,917
Depreciation	48,343	50,999
Donations	-	2
Guest transportation	84	682
Insurance	514	(1,411)
License and permits	406	795
Management fees to operator of hotel properties	6,075	23,114
Management Fees to strata	43,240	44,642
Other taxes	-	33
Professional and legal fees	5,595	7,317
Repairs and maintenance	11,128	23,418
Security	1,090	1,202
Staff costs	24,313	61,698
Utilities	72,304	109,158
Other	7,942	14,051
Total operating expenses	247,557	390,142
Net Impairment loss on financial assets (Note 4 (a))	-	3,904
	247,557	394,046

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations (Continued)

(b) Financial performance and cash flow information (continued)

Net cash inflow/(outflow) from operating activities:

	2020 $'000
Operating cash flows	264,950
Investing cash flows	(264,950)
Net increase in cash generated by hotels	-

(c) Details of the sale of the hotel operation

i) Proceeds from sale of discontinued operation

	2020 $'000
Consideration received in cash	1,582,213
Consideration receivable	37,357
Total consideration	1,619,570
Transaction cost	(35,505)
Proceeds from sale of discontinued operation	1,584,065

ii) Loss on disposal of hotel operation

	2020 $'000
Proceeds from sale of discontinued operation	1,584,065
Carrying value of Jewel Grande Montego Bay Resort and Spa	(1,660,213)
Unrealised capital loss on Jewel Grande Montego Bay Resort and Spa reclassified to realise on sale	(373,380)
Net, Expenses and other adjustments	67,481
Loss on sale of hotel operations	382,047

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

35. Discontinued Operations (Continued)

(c) Details of the sale of the hotel operation (continued)

iii) Net cash inflow on sale includes:

	2020 $'000
Proceeds from sale of discontinued operations	1,584,065
Net cash outflow for Jewel Grande Montego Bay Resort and Spa	(63,919)
Net proceeds from sale of discontinued operations	1,520,146

The carrying value of assets and liabilities Spa and Jewel Grand Montego Bay Resort and Spa of as at the date of sale 22 September 2020 were:

	$'000
Property, plant and equipment	160,387
Cash resources	63,920
Other assets	75,224
Liabilities	(945,296)
Net assets	(645,765)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

36. Consolidated Cash Flows from Operating Activities

Cash Flows from Operating Activities	Note	2020	2019
		$'000	$'000
Net loss		(15,388,402)	(76,976)
Adjustments for:			
Depreciation	16	838,426	775,426
Interest income	8	(18,525)	(23,723)
Fair value losses/(gains) on units held in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	8	87,900	(96,782)
Fair value gains on other financial investments	8	12,764	(14,726)
Fair value gains on investment property	17	-	(111,231)
Effect of exchange gains on foreign currency balances		(5,962)	146
Taxation expense	12	(201,719)	335,129
Amortisation of franchise fees		2,283	2,089
Finance costs	11	683,186	646,050
Loss on disposal of discontinued operations	35c	382,047	-
Share of loss from associate	15	5,467,297	98,662
Impairment of investment in associate	15	7,925,022	-
Dilution of investment in associate	15	391,296	-
		175,613	1,534,064
Changes in operating activities:			
Inventories		1,473	7,915
Receivables		95,717	438,879
Payables		(360,182)	137,159
Cash (used in)/provided by operating activities		(87,379)	2,118,017
Income tax paid		(53,641)	(500,331)
Net cash (used in)/ provided by operating activities		(141,020)	1,617,686

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

37. Subsequent Events

Subsequent to the year-end on 15 January 2021, the Group completed the disposal of its 14.87% (20,000,000 Ordinary Shares) equity interest in Playa Hotels and Resorts N.V. (Playa) for a net cash consideration of US$96,000,000 (approximately J$13,604,000,000). Sale of the shares occurred in a public offering of 11,499,000 Ordinary Shares held by the Group, concurrent to an underwritten public offering of 25,000,000 new shares by Playa at a public offering price of US$5.00 per share. These transactions were simultaneous with an assignment of an additional 8,501,000 ordinary shares held by Sagicor Jamaica to Sagicor Financial Corporation Limited, for cash consideration, at a price equal to the price offered through the public offering less commission expenses associated with the public offering. A disposal loss of approximately J$233,089,000 is recognized upon completion of this disposal in 2021.

The pandemic has caused significant deterioration and instability in the tourism sector and has altered the risk profile of our investment in Associate. Management has assessed the impact of these changes on its operating results, liquidity and earnings potential in the medium to long term. In response to the changing environment has decided to restructure its investment portfolio.

DISCLOSURE OF SHAREHOLDING

AT 31 DECEMBER 2020

TOP TEN SHAREHOLDERS

	SHAREHOLDERS	NO OF SHARES	PERCENTAGE
1	Sagicor Pooled Equity Fund	577,031,018	25.73%
2	Sagicor Pooled Mortgage & Real Estate Fund	490,260,812	21.86%
3	Sagicor Group Jamaica Limited	473,414,000	21.11%
4	SLJ Trading A/C - Sagicor Real Estate Fund	183,999,136	8.20%
5	Sagicor Pooled Diversified Investment Fund	87,550,754	3.90%
6	JCSD Trustee Services Ltd. - Sigma Equity	81,593,743	3.64%
7	Sagicor JPS Employees Pension Plan	70,000,000	3.12%
8	JCSD Trustee Services Ltd - Sigma Diversified Investor	30,002,900	1.34%
9	First Ja/Nat'l Hsg Trust Pension Fund	30,000,000	1.34%
10	Heart Trust / NTA Pension Scheme	28,000,000	1.25%
	Total	**2,051,852,363**	91.48%
	Other	191,152,762	8.52%
	Total Issued Shares	**2,243,005,125**	100.00%

SHAREHOLDINGS OF DIRECTORS

	LIST OF DIRECTORS	HOLDINGS IN X FUND
1	Christopher W. Zacca (Chairman)	Nil
2	Dodridge Miller	Nil
3	Michael Fraser	Nil
4	Bruce James	Nil
5	Stephen McNamara	Nil
6	Peter Pearson	15,000
	- connected - Yvonne Pearson	
7	Colin Steele	Nil
8	Vinay Walia	Nil

DISCLOSURE OF SHAREHOLDING (Continued)

AT 31 DECEMBER 2020

SHAREHOLDINGS OF EXECUTIVE MANAGEMENT

	SHAREHOLDER	HOLDINGS IN X FUND
1	Brenda-lee Martin	29,981
	- connected -Deborah Martin	

SHAREHOLDINGS OF DIRECTORS IN CONNECTED COMPANY

	SHAREHOLDERS	HOLDINGS IN SAGICOR GROUP
1	Christopher W. Zacca	1,211,908
	- connected - Karen Zacca	
	- connected - Edward Zacca	60
2	Dodridge Miller	25,389
3	Michael A. Fraser	1,434,405
4	Bruce James	Nil
5	Stephen McNamara	Nil
6	Peter Pearson	Nil
7	Colin Steele	Nil
8	Vinay Walia	Nil
	Officers	
1	Brenda-lee Martin	136,117
	- connected -Deborah Martin	2,000

NOTES

FORM OF PROXY

Sagicor
REAL ESTATE X FUND

I, ... of ....

being a member of Sagicor Real Estate X Fund Limited hereby appoint

.... of ....

or failing him .... of ....
as my proxy to vote for me on my behalf at the Annual General Meeting of the Corporation at McNamara Corporate Services Inc., Bella Rosa Road, Rodney Bay, Gros Islet, Saint Lucia and being accommodated virtually on Friday, July 23, 2021 at 11:00 a.m. and at any adjournment thereof. The Proxy will vote on the undermentioned resolutions as indicated:

	For	Against
Resolution No. 1 THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2020 be and are hereby adopted.		
Resolution No.2 THAT the election of directors be made en-bloc.		
Resolution No. 3 THAT Directors Christopher Zacca, Colin Steele and Bruce James who retire by rotation and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the Company en bloc.		
Resolution No. 4 THAT the amount of $16,475,876.19 included in the Audited Accounts of the Company for the year ended December 31, 2020 as remuneration for their services as Directors be and is hereby approved.		
Resolution No.5 THAT Grant Thornton, Chartered Accountants, having agreed to continue in office as Auditors, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.		

NOTE: If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

As witness my hand this .... day of 2021

Signature: ....

....

NOTE: (1) If the appointer is a Corporation, this form must be under the Common Seal or under the hand of an officer or attorney duly authorised.

(2) To be valid, this proxy must be lodged with the Secretary of the Corporation, 20 Micoud Street, Castries, St. Lucia not less than 48 hours before the time appointed for holding the meeting.

A proxy need not be a member of the Company.

REGISTERED OFFICE:

20 Micoud Street
Castries
St. Lucia

Territories of Operation

Jamaica
X Fund Properties Limited
(wholly owned subsidiary)
28-48 Barbados Avenue
Kingston 5
Jamaica

Jamziv Mobay Jamaica Portfolio Limited
(subsidiary)
28–48 Barbados Avenue
Kingston 5
Jamaica

United States
X Fund Properties LLC
(wholly owned subsidiary of X Fund Properties Limited)
5780 Major Boulevard
Orlando, Florida 32819
USA

Sagicor

REAL ESTATE X FUND