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INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN INVESTMENTS LIMITED

We have audited the financial statements of Proven Investments Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 3 to 66, which comprise the consolidated and separate statements of financial position as at March 31, 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Members of
PROVEN INVESTMENTS LIMITED

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and the Company as at March 31, 2015, and the financial performance and cash flows of the Group and the Company for the year then ended, in accordance with International Financial Reporting Standards.

KPMG

KPMG Eastern Caribbean

May 30, 2015

Castries, St. Lucia

PROVEN INVESTMENTS LIMITED

Statement of Financial Position
March 31, 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
ASSETS					
Cash and cash equivalents		10,908	4,480	946	255
Resale agreements	4	78,006	2,298	-	-
Investment securities	5	208,379	114,918	114,032	93,317
Loans receivable	6	25,758	20,312	9,505	9,817
Other assets	7	15,678	5,224	1,525	1,247
Owed by subsidiary	15	-	-	1,287	175
Income tax recoverable		373	424	-	-
Property development in progress	8	1,330	297	-	-
Investment in subsidiaries	9	-	-	45,639	17,470
Interest in associate	10	946	-	913	-
Investment property	11	414	-	-	-
Intangible assets	12	21,460	530	-	-
Property, plant and equipment	13	861	231	-	-
Deferred tax asset	18	232	4	-	-
Total assets		364,345	148,718	173,847	122,281
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Repurchase agreements	14	183,811	44,075	21,538	20,482
Owed to related parties	15	232	353	331	2,075
Notes payable	16	103,122	56,298	93,262	48,754
Preference shares	17	8,474	8,911	8,474	8,911
Current income tax payable		824	44	21	38
Deferred tax liabilities	18	-	192	-	-
Other liabilities		14,118	5,826	3,103	330
Total liabilities		310,581	115,699	126,729	80,590
Shareholders' equity:					
Share capital	19	39,980	29,657	39,980	29,657
Fair value reserve	20	(4,589)	(2,708)	(2,946)	(1,181)
Foreign exchange translation reserve	21	(3,503)	(2,525)	-	-
Retained earnings		10,420	8,484	10,084	13,215
Equity attributable to owners of the company		42,308	32,908	47,118	41,691
Non-controlling interest		11,456	111	-	-
Total shareholders' equity		53,764	33,019	47,118	41,691
Total liabilities and shareholders' equity		364,345	148,718	173,847	122,281

The financial statements on pages 3 to 66 were approved for issue by the Board of Directors on May 30, 2015 and signed on its behalf by:

Chairman
Hugh Hart

Director
Garfield Sinclair

The accompanying notes form an integral part of the financial statements.

PROVEN INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Net interest income and other revenue					
Interest income	22	18,632	7,868	6,611	5,192
Interest expense	22	(10,982)	(4,649)	(4,560)	(3,337)
		7,650	3,219	2,051	1,855
Dividends		440	679	654	1,679
Fees and commissions		699	206	-	-
Net fair value adjustments and realised gains	23	387	2,962	1,794	2,457
Net foreign exchange gains		218	1,185	69	865
Pension management income		1,443	-	-	-
Operating revenue, net of interest expense		10,837	8,251	4,568	6,856
Other income		542	366	176	227
Total		11,379	8,617	4,744	7,083
Operating expenses					
Staff costs	24	2,852	1,320	104	100
Depreciation and amortisation	12,13	137	76	-	-
Impairment of loans and other assets	6,7	442	45	350	-
Property expenses		29	-	-	-
Other operating expenses	25	4,824	2,192	2,547	1,864
Total		8,284	3,633	3,001	1,964
Operating profit		3,095	4,984	1,743	5,119
Preference share dividend	27(f)	(1,456)	(969)	(1,456)	(969)
Gain on acquisition of subsidiary	9(a)	4,241	-	-	-
Share of profit of associate	10	33	-	-	-
Profit before income tax		5,913	4,015	287	4,150
Income tax credit/(charge)	26	60	(235)	11	(10)
Profit for the year		5,973	3,780	298	4,140
Other comprehensive income					
Items that are or may be reclassified to profit or loss:					
Realised losses/(gains) on available-for-sale securities		977	(1,234)	988	(1,298)
Unrealised (losses)/gains on available-for-sale securities, net of tax		(2,920)	(1,911)	(2,753)	(1,244)
Deferred tax on unrealised gains on available-for-sale securities		62	201	-	-
Exchange differences on translation of foreign operations		(978)	(1,062)	-	-
Total other comprehensive loss		(2,859)	(4,006)	(1,765)	(2,542)
Total comprehensive income/(loss) for the year		3,114	(226)	(1,467)	1,598
Profit attributable to:					
Owners of the company		5,365	3,788		
Non-controlling interest		608	(8)		
Profit for the year		5,973	3,780		
Total comprehensive income/(loss) attributable to:					
Owners of the company		2,506	(218)		
Non-controlling interests		608	(8)		
Total comprehensive income/(loss) for the year		3,114	(226)		
Earnings per stock unit	30	1.51¢	1.28¢		

The accompanying notes form an integral part of the financial statements.

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity
Year ended March 31, 2015

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Foreign exchange translation reserve $'000 (note 21)	Retained earnings $'000	Attributable to equity holders of the group $'000	Non controlling interest $'000	Total $'000
Balances at March 31, 2013	29,657	236	(1,463)	7,347	35,777	119	35,896
Total comprehensive income for the year							
Profit for the year	-	-	-	3,788	3,788	(8)	3,780
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(1,062)	-	(1,062)	-	(1,062)
Realised gains on available-for-sale securities	-	(1,234)	-	-	(1,234)	-	(1,234)
Unrealised loss on fair value of available-for-sale securities	-	(1,911)	-	-	(1,911)	-	(1,911)
Deferred tax credit on unrealised loss on available-for-sale securities	-	201	-	-	201	-	201
Total other comprehensive loss for the year, net of tax	-	(2,944)	(1,062)	-	(4,006)	-	(4,006)
Total comprehensive income for the year	-	(2,944)	(1,062)	3,788	(218)	(8)	(226)
Transactions with owners recorded directly in equity							
Dividends to equity holders, being total transactions with owners (note 31)	-	-	-	(2,651)	(2,651)	-	(2,651)
Balances at March 31, 2014	29,657	(2,708)	(2,525)	8,484	32,908	111	33,019
Total comprehensive income for the year							
Profit for the year	-	-	-	5,365	5,365	608	5,973
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(978)	-	(978)	-	(978)
Realised losses on available-for-sale securities	-	977	-	-	977	-	977
Unrealised losses on fair value of available-for-sale securities	-	(2,920)	-	-	(2,920)	-	(2,920)
Deferred tax credit on unrealised losses	-	62	-	-	62	-	62
Total other comprehensive loss for the year, net of tax	-	(1,881)	(978)	-	(2,859)	-	(2,859)
Total comprehensive income for the year	-	(1,881)	(978)	5,365	2,506	608	3,114
Transactions with owners recorded directly in equity							
Issue of ordinary shares (note 19)	10,323	-	-	-	10,323	-	10,323
Dividends to equity holders, being total transactions with owners (note 31)	-	-	-	(3,429)	(3,429)	(221)	(3,650)
	10,323	-	-	(3,429)	6,894	(221)	6,673
Change in ownership interest							
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	10,958	10,958
Balances at March 31, 2015	39,980	(4,589)	(3,503)	10,420	42,308	11,456	53,764

The accompanying notes form an integral part of the financial statements.

PROVEN INVESTMENTS LIMITED

Company Statement of Changes in Equity
Year ended March 31, 2015

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Retained earnings $'000	Total $'000
Balances at March 31, 2013	29,657	1,361	11,726	42,744
Total comprehensive income for the year				
Profit for the year	-	-	4,140	4,140
Other comprehensive income for the year				
Unrealised loss on fair value of available-for-sale securities	-	(1,244)	-	(1,244)
Realised gain in fair value of available-for-sale securities	-	(1,298)	-	(1,298)
Total other comprehensive income for the year	-	(2,542)	-	(2,542)
Total comprehensive income for the year	-	(2,542)	4,140	1,598
Transactions with owners recorded directly in equity:				
Dividends to equity holders, being total transactions with owners (note 31)	-	-	(2,651)	(2,651)
Balances at March 31, 2014	29,657	(1,181)	13,215	41,691
Total comprehensive income for the year				
Profit for the year	-	-	298	298
Other comprehensive income for the year				
Unrealised loss on fair value of available-for-sale securities	-	(2,753)	-	(2,753)
Realised gain in fair value of available-for-sale securities	-	988	-	988
Total other comprehensive income for the year	-	(1,765)	-	(1,765)
Total comprehensive income/(loss) for the year	-	(1,765)	298	(1,467)
Transactions with owners recorded directly in equity:				
Issue of ordinary shares (note 19)	10,323	-	-	10,323
Dividends to equity holders (note 31)	-	-	(3,429)	(3,429)
Balances at March 31, 2015	39,980	(2,946)	10,084	47,118

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Cash flows from operating activities:					
Profit for the year		5,973	3,780	298	4,140
Adjustments for:					
Depreciation	13	111	61	-	-
Amortisation		26	15	-	-
Adjustment on revaluation of investment property		-	32	-	-
Interest income		(18,632)	(7,868)	(6,611)	(5,192)
Interest expense		10,982	4,649	4,560	3,204
Loss on disposal of property, plant and equipment		67	-	-	-
Income from associate	10	(33)	-	-	-
Gain on purchase of subsidiary		(4,241)	-	-	-
Unrealised foreign exchange gain		(855)	(1,650)	(69)	(1,011)
Income tax charge	26	(60)	235	(11)	10
		(6,662)	(746)	(1,833)	1,151
Change in operating assets and liabilities					
Investment securities		85,021	(3,628)	(22,411)	(9,470)
Loans receivable		4,041	(4,234)	312	(4,589)
Other assets		(3,319)	(2,253)	(43)	112
Owed by related party		36	(11)	(1,111)	(20)
Other liabilities		2,397	4,365	2,538	(21)
Repurchase agreements		(22,370)	12,705	1,056	15,527
Income tax recoverable		51	3,278	-	-
Resale agreements		(75,708)	217	-	1,311
Credit linked notes		-	(1,573)	-	-
Owed to related party		(121)	24	(1,744)	1,673
		(16,625)	8,144	(23,237)	5,674
Interest received		16,365	7,578	6,376	5,078
Interest paid		(10,283)	(4,388)	(4,325)	(3,308)
Income tax paid		(428)	(32)	(6)	(15)
Net cash (used in)/provided by operating activities		(10,971)	11,302	(21,192)	1,755
Cash flows from investing activities:					
Acquisition of subsidiaries, net of cash acquired	9	(25,673)	-	(28,169)	-
Acquisition of interest in associate	10	(913)	-	(913)	-
Development in progress		(1,033)	-	-	-
Proceeds from sale of investment property		730	-	-	-
Purchase of property, plant and equipment	13	(92)	(65)	-	-
Purchase of intangible asset	12	(5)	-	-	-
Net cash used in investing activities		(26,986)	(65)	(29,082)	-
Net cash flows from operating and investing activities (carried forward to page 8)		(37,957)	11,237	(50,274)	7,429

The accompanying notes form an integral part of the financial statements.

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Cash flows from operating and investing activities (brought forward from page 7)		(37,957)	11,237	(50,274)	7,429
Cash flows from financing activities:					
Proceeds of issue of shares		10,323	-	10,323	-
Unrealised exchange loss on preference shares			(437)		(437)
Notes payable		38,161	(7,302)	44,508	(6,544)
Dividend paid	31	(3,650)	(2,651)	(3,429)	(2,651)
Net cash provided by/(used in) financing activities		44,397	(9,953)	50,965	(9,195)
Net increase/(decrease) in cash and cash equivalents		6,440	1,284	691	(1,766)
Effect of exchange rate fluctuations on cash and cash equivalents		(12)	(362)	-	-
Cash and cash equivalents at beginning of year		4,480	3,558	255	2,021
Cash and cash equivalents at end of year		10,908	4,480	946	255

The accompanying notes form an integral part of the financial statements.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements
March 31, 2015

1. Identification

Proven Investments Limited ("the Company") is incorporated in Saint Lucia under the International Business Companies Act. The Company is domiciled in Saint Lucia, with registered office at 20 Micoud Street, Castries, Saint Lucia.

The Company's shares are listed on the Jamaica Stock Exchange.

The primary activities of the Company are the holding of tradable securities for investment purposes and holding other investments.

The Company has the following subsidiaries:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2015	2014
Proven Wealth Limited	Jamaica	Fund management, investment advisory services, and money market and equity trading	100	100
Proven REIT Limited and its wholly-owned subsidiary	Saint Lucia	Real estate investment	85	85
Proven Kingsway Limited	Saint Lucia	Real estate investment	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
PWL Transition Limited	Jamaica	Pension funds management	100	-
Access Financial Services	Jamaica	Retail lending	49.27	-

The Company and its subsidiaries are collectively referred to as "Gropup".

The Group also has an interest in the following associated company:

Associated company	Country of incorporation	Nature of Business	Percentage ownership 2015	2014
Knutsford Express Limited	Jamaica	Transportation and courier services	20	-

2. Basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has adopted those that are relevant, none of which had any significant impact on the amounts and disclosures in the financial statements.

New, revised and amended standards and interpretations that are not yet effective

At the date of approval of these financial statements, certain new, revised and amended standards and interpretations were in issue but were not yet effective and had not been early-adopted by the Group. The Group has assessed their relevance with respect to its operations and has concluded that the following may be relevant:

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

New, revised and amended standards and interpretations that are not yet effective (cont'd)

(i) *Improvements to IFRS, 2010-2012 and 2011-2013 Cycles*, contain amendments to certain standards and interpretations and are effective for annual reporting periods beginning on or after July 1, 2014. The main amendments applicable to the Group are as follows:

- IFRS 13*, Fair Value Measurement*, has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

- IAS 24, *Related Party Disclosures*, has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

- IFRS 3, *Business Combinations,* has been amended to clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32, *Financial Instruments: Presentation*, rather than to any other IFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss. Consequential amendments have also been made to IAS 39, *Financial Instruments: Recognition and Measurement,* and IFRS 9, *Financial Instruments,* to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* has amended to exclude provisions related to contingent consideration of an acquirer. IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in IFRS 11, *Joint Arrangements,* i.e. including joint operations in the financial statements of the joint arrangements themselves.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

(i) *Improvements to IFRS, 2010-2012 and 2011-2013 Cycles* (cont'd)

- IAS 16, *Property, Plant and Equipment*, and IAS 38*, Intangible Assets,* have been amended to clarify that, at the date of revaluation:
  - the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation (amortization) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses; or
  - the accumulated depreciation (amortisation) is eliminated against the gross carrying amount of the asset.

(ii) *Improvements to IFRS, 2012-2014 Cycle*, contain amendments to certain standards and interpretations and are effective for annual reporting periods beginning on or after January 1, 2016. The main amendments applicable to the Group are as follows:

- IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*, have been amended by the issue of "Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation",* which is effective for annual reporting periods beginning on or after January 1, 2016, as follows:
  - The amendment to IAS 16 explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.
  - The amendment to IAS 38 introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

- IAS 27, *Separate Financial Statements*, has been amended, effective for annual reporting periods beginning on or after January 1, 2016, by the issue of "*Equity Method in Separate Financial Statements".* The amendments allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

- IAS 40*, Investment Property,* has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

New, revised and amended standards and interpretations that are not yet effective (cont'd)

(iii) IAS 1, *Presentation of Financial Statements*, has been amended, effective for annual reporting periods beginning on or after January 1, 2016, to clarify or state the following:

- specific single disclosures that are not material do not have to be presented even if they are the minimum requirement of a standard;
- the order of notes to the financial statements is not prescribed;
- line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
- specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI;
- the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

(iv) IFRS 15, *Revenue From Contracts With Customers*, effective for annual reporting periods beginning on or after January 1, 2017, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers,* and SIC-31, *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

2. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

New, revised and amended standards and interpretations that are not yet effective (cont'd)

(v) IFRS 9*, Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

The Group is assessing the impact that the new standards and interpretations, as well as the amendments, will, when they become effective, have on its financial statements.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion at fair value of available-for-sale securities, financial assets at fair value through profit or loss and investment property.

(c) Functional and presentation currency

The financial statements are presented in United States dollars (US$), which is the functional currency of the Company, unless otherwise indicated. The financial statements of those subsidiaries which have the Jamaica dollar as their functional currency, are translated into US$ in the manner set out in note 3(h).

(d) Estimates critical to reported amounts, and judgements made in applying accounting policies:

The preparation of the financial statements in conformity with IFRS requires management to make estimates, based on assumptions and judgements. Management also makes judgements, other than those involving estimations, in the process of applying the accounting policies. The estimates and judgements affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

The estimates, and the assumptions underlying them, as well as the judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Basis of preparation (cont'd)

(d) Estimates critical to reported amounts, and judgements made in applying accounting policies (cont'd)

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(i) Key sources of estimation uncertainty

- Allowance for impairment losses

  In determining amounts, if any, to be recorded for impairment of financial assets, management makes assumptions in assessing whether certain facts and circumstances, such as repayment default and adverse economic conditions, are indicators that there may be a measurable decrease in the estimated future cash flows from outstanding balances. Management also makes estimates of the likely estimated future cash flows from balances determined to be impaired, as well as the timing of such cash flows.

  In determining the total allowance for impairment, management evaluates financial assets individually for impairment, based on management's best estimate of the present value of the cash flows that are expected to be received from the counterparties. In estimating these cash flows, management makes assumptions about a counterparty's financial situation and the net realisable value of any collateral.

- Fair value of financial instruments

  There are no quoted market prices for a significant portion of the Group's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach; the fair values determined in this way are classified as Level 2 fair values. Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 5 and 29).

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

For the purpose of these financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS.

2. Basis of preparation (cont'd)

(d) Estimates critical to reported amounts, and judgements made in applying accounting policies (cont'd)

(ii) Critical judgements in applying the Group's accounting policies (cont'd)

Management is sometimes also required to make critical judgements in applying accounting policies. These include the following judgements:

- Whether the criteria are met for classifying financial assets. For example, the determination of whether a security may be classified as 'loans and receivables' (note 5) or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy (note 29) requires judgement as to whether a market is active.
- In designating a security as 'held-to-maturity', management judges whether the Group has ability to hold the security to maturity.
- In determining whether the Group has control over an investee and should therefore consolidate that investee, management considers the percentage of the investee's share capital that it holds and makes judgements about other relevant factors affecting control (see note 9).

3. Significant accounting policies

(a) Basis of consolidation:

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is at the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation(cont'd)

(ii) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to $Nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.

3. Significant accounting policies (cont'd)

(a) Basis of consolidation(cont'd)

(vi) Transactions eliminated on consolidation

Balances and transactions between companies within the Group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions between the Group and its associate and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(b) Financial instruments – Classification, recognition and de-recognition, and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification of financial instruments

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

The Group classifies non-derivative financial assets into the following categories. Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased.

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

The Group classifies non-derivative financial liabilities into the "other financial liabilities" category.

(ii) Recognition and derecognition - non-derivative financial assets and financial liabilities

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

3. Significant accounting policies (cont'd)

(b) Financial instruments – Classification, recognition and de-recognition, and measurement (cont'd)

(ii) Recognition and derecognition - non-derivative financial assets and financial liabilities (cont'd)

The Group initially recognises loans and receivables and debt securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers not retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has the legal right to offset the amounts and intends either to settle them on a net basis, or to realise the assets and settle the liabilities simultaneously.

(iii) Measurement and gains and losses - Non-derivative financial assets

Loans and receivables: On initial recognition these are measured at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Where securities classified as loans and receivables become quoted in an active market, such securities will not be reclassified as available-for-sale securities. An active market is one where quoted prices are readily and regularly available from an exchange, dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Held-to-maturity: On initial recognition these are measured at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Any sale or reclassification of a significant amount of held-to-maturity investments that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the financial year in which sale or reclassification occurs and the following two financial years.

Financial assets at fair value through profit or loss: On initial recognition these are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

3. Significant accounting policies (cont'd)

(b) Financial instruments – Classification, recognition and de-recognition, and measurement (cont'd)

(iii) Measurement and gains and losses - Non-derivative financial assets (cont'd)

A*vailable-for-sale:* On initial recognition, these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

- Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss. Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

- When securities classified as available-for-sale are sold or impaired, and therefore derecognised, the fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

(c) Financial instruments - Other

(i) Non-trading derivatives

Derivatives are financial instruments that derive their value from the price of the underlying items such as equities, interest rates, foreign exchange or other indices. Derivatives enable users to increase, reduce or alter exposure to credit or market risk. The Group makes use of derivatives to manage its own exposure to foreign exchange risk.

The Group evaluates financial instruments which it acquires or issues to determine whether derivatives are embedded in any of the contracts (making it a "host contract"). The Group accounts for an embedded derivative separately from the host contract when (i) the host contract is not itself carried at fair value through profit or loss, (ii) the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract, and (iii) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. Separated embedded derivatives are accounted for depending on their classification, and are presented in the statement of financial position together with the host contract. When an embedded derivative cannot be separated from the host contract, the entire contract is designated as at fair value through profit or loss.

When a derivative is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss as a component of net income from other financial instruments at fair value through profit or loss.

3. Significant accounting policies (cont'd)

(c) Financial instruments – Other (cont'd)

(ii) Cash and cash equivalents

Cash comprises cash in hand and demand and call deposits. Cash equivalents are short-term, highly liquid financial assets that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. These include certificates of deposit where the maturities do not exceed three months from the date of acquisition.

Cash and cash equivalents are carried at amortised cost.

(iii) Other assets

Other assets are stated at amortised cost less impairment losses.

(iv) Other liabilities

Other liabilities are stated at amortised cost.

(v) Resale and repurchase agreements

Resale agreements are accounted for as short-term collateralised lending, and are classified as loans and receivables. On initial recognition they are measured at fair value. Subsequent to initial recognition they are carried at amortised cost. The difference between the purchase cost and the resale consideration is recognised in profit or loss as interest income using the effective interest method.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retain either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions. Repurchase agreements are accounted for as short-term collateralised borrowing, and are classified as other liabilities. On initial recognition and subsequently, the securities given as collateral are retained in the statement of financial position and measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. The difference between the sale consideration and the repurchase cost is recognised in profit or loss over the life of each agreement as interest expense using the effective interest method.

3. Significant accounting policies (cont'd)

(c) Financial instruments – Other (cont'd)

(vi) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

(1) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;

(2) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividends thereon are recognised as interest in profit or loss.

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liability.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(vii) Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are stated at amortised cost less impairment provisions.

(viii) Accounts payable

Accounts payable are stated at their amortised cost.

(ix) Interest-bearing borrowings

Interest-bearing borrowings, other than repos, which are described in [note 3(c)(v)], are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, with any difference between cost and redemption being recognised in profit or loss over the period of the borrowings on an effective yield basis.

(x) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to set off the recognised amounts and it intends to settle on a net basis or to realise the assets and settle the liability simultaneously.

(xi) Amortised cost

Amortised cost is calculated using the effective interest method. Premiums, discounts and initial transaction costs are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

3. Significant accounting policies (cont'd)

(d) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. These costs comprise the value of land contributed to the development; direct costs related to property development activities; and indirect costs that are attributable to the development activities and can be allocated to the project.

The property development is being undertaken under the terms of a joint operation. The Group, as one of the two joint operators, recognises in its financial statements the assets it contributes to, and the liabilities it incurs on behalf of, the joint operation, with those assets and liabilities being accounted for in accordance with relevant IFRS. A gain or loss is recognised on any asset sold or contributed to the joint operation to the extent of the other party's interest in the joint operation (in this case 50%).

(e) Investment property

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently carried at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Fair value is determined every three years by an independent registered valuer, and in each of the two intervening years by the directors. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to income during the financial period in which they are incurred.

(f) Property, plant and equipment

(i) Cost

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Group and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

3. Significant accounting policies (cont'd)

(f) Property, plant and equipment (cont'd)

(ii) Depreciation

Property, plant and equipment are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Computers	25%
Furniture, fixtures and equipment	10%
Leasehold improvements	10%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(g) Intangible assets

(i) License

The license is carried at cost less accumulated impairment losses, if any. As the license has an indefinite life, the cost is not amortised but is subject to impairment testing, at least annually.

(ii) Computer software

Computer software is carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis at annual rates estimated to write down the asset to its residual value over its expected useful life of 7 years from the date it is available for use.

(iii) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses and is assessed for impairment annually.

(h) Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. These rates represent the weighted average rates at which the Group trades in foreign currency.

3. Significant accounting policies (cont'd)

(h) Foreign currency translation (cont'd)

(i) Transactions and balances (cont'd)

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in other comprehensive income and presented in fair value reserve.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are recognised in other comprehensive income and presented in the fair value reserve in stockholders' equity.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into US$ at the spot exchange rate at the reporting date. The income and expenses of the foreign operations are translated into US$ at the spot exchange rates at the dates of the transactions (for practical purposes an average is used). Foreign currency differences on the translation of foreign operations are recognised in other comprehensive income and included in foreign exchange translation reserve.

(i) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted by the reporting date.

3. Significant accounting policies (cont'd)

(i) Income tax (cont'd)

(ii) Deferred income tax (cont'd)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss. Any cumulative impairment loss in respect of an available-for-sale investment recognised previously in other comprehensive income is transferred to profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognised in profit or loss.

(1) Calculation of recoverable amount

The recoverable amount of the Group's investment securities classified as loans and receivables and other receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. Significant accounting policies (cont'd)

(j) Impairment (cont'd)

(2) Reversals of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss, but through other comprehensive income. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in the profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Investment in subsidiaries

Investment in subsidiaries is carried at cost, less impairment losses, if any.

(l) Revenue recognition

Revenue is income that arises in the course of the ordinary activities of the Group. Accordingly, revenue comprises interest income, fees and commissions, dividends and income and gains from holding and trading securities.

(i) Interest income

Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently. Interest income includes coupons earned on fixed income investments, accretion of discount on treasury bills and other discounted instruments, and amortisation of premium on instruments bought at a premium.

3. Significant accounting policies (cont'd)

(l) Revenue recognition (cont'd)

(ii) Fee and commission income

Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportioned basis. Asset management fees related to investment funds are recognised rateably over the period in which the service is provided. Performance linked fees or fee components are recognised when the performance criteria are fulfilled.

(iii) Dividends

Dividend income is recognized when the right to receive income is established. For quoted securities, this is usually the ex-dividend date.

(iv) Gain or loss on holding and trading securities:

Gain or loss on securities trading is recognised when the Group becomes a party to a contract to dispose of the securities, or, in the case of financial assets measured at fair value, upon re-measurement of those assets.

(m) Interest expense

Interest expense is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount. The effective interest rate is established on initial recognition of the financial liability and not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortization of premium on instruments issued at other than par.

4. Resale agreements

The company purchases government and corporate securities and agrees to resell them at a specified date at a specified price.

Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfill its contractual obligations. At the reporting date, the fair value of the securities held as collateral for resale agreements was $82,389,000 (2014: $2,601,000) for the Group and $Nil (2014: $ Nil) for the Company.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

5. Investment securities

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Quoted equities	42	12	-	-
Credit linked notes	17,483	18,782	17,483	18,782
Foreign currency forward contracts	723	(9)	723	-
	18,248	18,785	18,206	18,782
Available-for-sale securities				
Government of Jamaica securities	50,596	14,372	1,484	1,556
Equities - Jamaica	28	492	10	492
Global equities	298	930	298	930
Global bonds	61,253	34,392	29,243	25,721
Treasury bills	6,000	-	-	-
Mutual funds	19,603	16,843	19,603	16,843
Corporate bonds	46,513	27,851	45,188	28,993
Commercial paper	1,904	-	-	-
	186,195	94,880	95,826	74,535
Loans and receivables				
Government of Jamaica securities	3,936	1,244	-	-
Corporate bonds	-	9	-	-
	3,936	1,253	-	-
	208,379	114,918	114,032	93,317

6. Loans receivable

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Margin loans [see (a) below]	6,744	7,880	-	-
Hire purchase loans	13,264	303	-	-
Corporate notes	5,750	9,817	9,505	9,817
Other loans	-	2,312	-	-
	25,758	20,312	9,505	9,817

(a) Margin loans represent advances made by the Group to facilitate the purchase of securities by its clients. The securities purchased are pledged as collateral for the outstanding advances. Certain of these securities have been re-pledged by the Group (see note 16).

At the reporting date, the fair value of the collateral pledged by the clients and re-pledged by the Group was $14,890,000 (2014: $16,498,000).

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

6. Loans receivable (cont'd)

(b) Loans receivable, net of allowance for impairment, are due, from the reporting date, as follows:

	Group			
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
	2015			
Margin loans	1,486	5,258	-	6,744
Hire purchase loans	13,051	213	-	13,264
Corporate notes	-	2,500	3,250	5,750
	14,537	7,971	3,250	25,758
	2014			
Margin loans	1,323	6,557	-	7,880
Hire purchase loans	-	303	-	303
Corporate notes	-	2,371	7,446	9,817
Other loans	2,312	-	-	2,312
	3,635	9,231	7,446	20,312

	Company			
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
	2015			
Corporate notes	-	2,500	7,005	9,505
	2014			
Corporate notes	-	2,371	7,446	9,817

(c) Impairment losses

(i) The aging of loans receivable is as follows:

	Group 2015		Group 2014	
	Gross $'000	Allowance for impairment $'000	Gross $'000	Allowance for impairment $'000
Not past due and not impaired	24,858	-	18,691	-
Less than 90 days past due and not impaired	1,329	429	1,558	-
More than 90 days past due and impaired	1,422	1,422	80	80
Interest receivable	-	-	63	-
	27,609	1,851	20,392	80

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

6. Loans receivable (cont'd)

(c) Impairment losses (cont'd):

(ii) The movement on the impairment allowance is as follows:

	Group	
	2015	2014
	$'000	$'000
Balance at the beginning of the year	80	49
Impairment losses recognised	92	45
Acquired through business combination	1,831	-
Effect of exchange rate movements	(152)	(14)
Balance at the end of the year	1,851	80

7. Other assets

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Withholding tax recoverable	4,436	-	-	-
Joint operator	1,342	298	-	-
Due from clients	543	102	-	-
Interest receivable	3,812	1,545	1,386	1,151
Other [see (a)]	5,997	3,386	493	100
	16,130	5,331	1,879	1,251
Less allowance for impairment [see (b)]	(452)	(107)	(354)	(4)
	15,678	5,224	1,525	1,247

(a) Included in this amount is $154,000 (2014: $154,000) expended on the planning for the possible construction of investment property

(b) Allowance for impairment is made in respect of the following:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Due from clients	102	107	-	-
Other	350	-	354	4
	452	107	354	4

The movement in the allowance for impairment during the year was as follows:

	Group		Company	
Balance at beginning of year	107	751	4	637
Write-offs	-	(644)	-	(633)
Impairment losses recognized	350	-	350	-
Effect of exchange rate movements	(5)	-	-	-
Balance at end of year	452	107	354	4

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

8. Property development in progress

The Group is a participant with another party in a joint operation to develop and sell property comprising residential apartment units. Under the terms of the agreement dated March 28, 2014, the Group will contribute land and undertake certain other activities. The Group and the other joint operator will each share equally in the net profits of the development. The amount of $297,000 represents the Group's contribution to the joint operation less the other party's interest therein; the other party, in return for its interest in the transferred property, is obligated to contribute certain expertise, services and other things. The value to the Group of this obligation is included in other assets. (Note 11).

	Group	
	2015	2014
	$'000	$'000
At beginning of year	297	-
Cost of property transferred	-	297
Construction costs	1,033	-
At end of year	1,330	297

9. Investment in subsidiaries

	Company	
	2015	2014
	$'000	$'000
Ordinary shares:		
Proven Wealth Limited	16,567	16,567
Proven REIT Limited	491	491
Asset Management Company Limited	412	412
PWL Transition Limited [see (a) below]	17,529	-
Access Financial Services Limited [see (b) below]	10,640	-
	45,639	17,470

(a) Acquisition of PWL Transition Limited

On May 30, 2014, Proven Investments Limited acquired the entire issued share capital of First Global Financial Services Limited. The acquired company was subsequently renamed PWL Transition Limited ("PWLTL"). The principal activities of PWLTL at that date were investment and funds management, pension management, stock broking and rental of properties. Subsequently, on January 2, 2015, an amalgamation was effected which included the transfer of selected assets and liabilities and the investment fund management and stock broking operations of PWLTL to a fellow subsidiary, Proven Wealth Limited ("PWL"). As a consequence of the transfers, the principal activities of PWLTL at the reporting date was the provision of pension management services. PWLTL is a licensed securities dealer and is regulated by the Financial Services Commission (FSC) under the Pensions (Superannuation Funds and Retirement Schemes) Act 2004 and the Securities Act. The acquisition is expected to provide an enhanced level of income, above-average returns, and preservation of capital for shareholders of the Company.

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Notes to the Financial Statements (continued)
March 31, 2015

9. Investment in subsidiaries (cont'd)

(a) Acquisition of PWL Transition Limited (cont'd)

Since the date of acquisition, PWLTL has contributed revenue of $13,345,000 and attributable post-acquisition loss of $215,000 to the Group's results in the period to March 31, 2015. The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition.

(i) Identifiable assets acquired and liabilities assumed:

	$'000
Cash and cash equivalents	1,378
Available-for-sale investments	180,407
Other receivables	4,775
Investment property	1,157
Intangible assets	6,426
Property, plant and equipment	122
Repurchase agreements	(162,106)
Income tax payable	(647)
Notes payable	(5,886)
Deferred tax	(172)
Other liabilities	(3,684)
	21,770
Consideration transferred:	
Cash	17,529
Gain on acquisition of subsidiary	(4,241)

(ii) Cash flow on acquisition

Total consideration transferred, per above	17,529
Less: cash acquired, per above	(1,378)
Net cash used on acquisition	6,151

(b) Acquisition of Access Financial Services Limited

With effect from December 30, 2014, Proven Investments Limited acquired 49.27% of the issued shares of Access Financial Services Limited ("Access"), obtaining control in the process. The principal activity of Access is retail lending to the microenterprise sector for personal and business purposes. The acquisition is expected to provide an enhanced level of income, above-average returns, and preservation of capital for shareholders of the Company.

Since the date of acquisition, Access has contributed revenue of US$2,415,000 and attributable post-acquisition profit of $1,234,000 to the Group's results.

9. Investment in subsidiaries (cont'd)

(b) Acquisition of Access Financial Services Limited (cont'd)

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(i) Identifiable assets acquired and liabilities assumed

	$'000
Cash and cash equivalents	1,118
Investments	18
Loans receivable	16,352
Intangible assets	52
Property, plant and equipment	617
Deferred tax asset	11
Other assets	138
	18,306
Notes payable	(2,777)
Income tax payable	(52)
Other liabilities	(1,512)
	(4,341)
Total identifiable net assets acquired	13,965
Less: Non-controlling interest	10,958
Total acquired interest attributable to shareholders of the parent	3,007
Consideration paid	10,640
Purchased goodwill	7,633

(ii) Cash flow on acquisition

Cash consideration	10,640
Cash acquired	(1,118)
Net cash outflow arising on the acquisition	9,522

The goodwill is attributable mainly to the value of brands/trademarks and customer relationships.

(c) Acquisition costs

The Group incurred acquisition related costs of $169,313 for external legal fees, stamp duty and due diligence. These costs have been included in other operating expenses in the Group's statement of profit or loss and other comprehensive income.

10. Interest in associate

On December 1, 2014, the Group's equity interest in Knutsford Express Limited ("Knutsford") increased from 10% to 20% and Knutsford Express Limited became an associate from that date. Knutsford is listed on the Jamaica Stock Exchange Junior Market. Based on its closing price of J$10.00 per share at the reporting date, the fair value of the Group's investment was $9,062,000. No dividends have been received since acquisition of the interest.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Shares, at cost	913	-	913	-
Share of post-acquisition profits	33	-	-	-
	946	-	913	-

The following table summarises the financial information of Knutsford Express Limited as included in its financial statements as at and for the nine months ended February 28, 2015, showing fair value adjustments on acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this material associate.

	2015	2014
	$'000	$'000
Group's percentage ownership interest	20.00%	-
Non-current assets	1,543	-
Current assets	709	-
Non-current liabilities	(115)	-
Current liabilities	(318)	-
Net assets of Knutsford (100%)	1,819	-
Group's share of net assets (20%)	364	-
Goodwill and other intangible assets	582	-
Carrying amount of interest in associate	946	-
Revenue	2,888	-
Net profit, being total comprehensive income for the period (100%)	420	-
Group's share of total comprehensive income (20%)	84	-

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Notes to the Financial Statements (continued)
March 31, 2015

11. Investment property

	2015 $'000	2014 $'000
At beginning of year	-	695
Acquisition through business combination	1,157	-
Disposal	(730)	-
Fair value adjustment	-	(32)
Foreign exchange translation adjustment	(13)	(68)
	414	595
Transfer to joint operator (note 7)	-	(298)
Transfer to property development in progress (note 8)	-	(298)
At end of year	414	-

The company's land and buildings were last revalued during December 2013 by independent valuators, DC Tavares Finson Realty Company Limited and NAI Jamaica Langford and Brown. The valuations were done on the basis of open market value. The fair value of the investment property is categorised into Level 3 of the fair value hierarchy.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market approach. This model takes into account: • The fact that the intention is to dispose of the property in an open market transaction. • The expected sale would take place on the basis of a willing seller and willing buyer. • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market. • Values are expected to remain stable throughout the period of market exposure and disposal by of sale (hypothetical). • The property will be freely exposed to the market; and • The potential rental value of the property in the current investment climate.	• Judgements about whether the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The strength of demand for the property, given its condition, location and range of potential uses. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The level of current and future economic activity in the location and the impact on the strength of the demand is greater/(less) than judged. • The potential rental income from the property is greater / (less) than judged.

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Notes to the Financial Statements (continued)
March 31, 2015

12. Intangible assets

	Customer relationships $'000	Non-complete agreements $'000	Trade name $'000	Goodwill $'000	License $'000	Computer software $'000	Total $'000
Cost:							
March 31, 2013	-	-	-	-	571	61	632
Translation adjustment	-	-	-	-	(56)	1	(55)
March 31, 2014	-	-	-	-	515	62	577
Acquisitions through business combination	9,452	1,570	2,269	7,633	-	253	21,177
Additions	-	-	-	-	-	5	5
Translation adjustment	-	-	-	-	(25)	(10)	(35)
March 31, 2015	9,452	1,570	2,269	7,633	490	310	21,724
Amortisation:							
March 31, 2013	-	-	-	-	-	30	30
Amortisation for the year	-	-	-	-	-	15	15
Translation adjustment	-	-	-	-	-	2	2
March 31, 2014	-	-	-	-	-	47	47
Acquisition through business combination	-	-	-	-	-	201	201
Amortisation for the year	-	-	-	-	-	26	26
Translation adjustment	-	-	-	-	-	(10)	(10)
March 31, 2015	-	-	-	-	-	264	264
Net book values:							
March 31, 2015	9,452	1,570	2,269	7,633	490	46	21,460
March 31, 2014	-	-	-	-	515	15	530
March 31, 2013	-	-	-	-	571	31	602

In view of the relatively short period of time elapsed between the date of acquisition of the relevant subsidiary and the reporting date, no testing of goodwill for impairment was considered necessary.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

13. Property, plant and equipment

	Group						
	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Computer equipment	Work in progress	Art-work	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:							
March 31, 2013	43	227	9	108	-	-	387
Additions	47	4	-	14	-	-	65
Disposals	-	-	-	(1)	-	-	(1)
Translation adjustment	(3)	29	26	25	-	-	77
March 31, 2014	87	260	35	146	-	-	528
Acquisitions through business combination	482	636	278	954	10	5	2,365
Additions	17	26	-	49	-	-	92
Disposals	-	(39)	(93)	-	-	-	(132)
Translation adjustment	(10)	(9)	55	(25)	-	-	11
March 31, 2015	576	874	275	1,124	10	5	2,864
Depreciation:							
March 31, 2013	8	67	3	61	-	-	139
Charge for the year	7	27	5	22	-	-	61
Disposals	-	-	-	(1)	-	-	(1)
Translation adjustment	(1)	43	27	29	-	-	98
March 31, 2014	14	137	35	111	-	-	297
Acquisition through business combination	139	388	243	856	-	-	1,626
Charge for the year	25	44	13	29	-	-	111
Disposals	-	(16)	(49)	-	-	-	(65)
Translation adjustment	(11)	61	18	(34)	-	-	34
March 31, 2015	167	614	260	962	-	-	2,003
Net book values:							
March 31, 2015	409	260	15	162	10	5	861
March 31, 2014	73	123	-	35	-	-	231
March 31, 2013	35	160	6	47	-	-	248

14. Repurchase agreements

The Group sells Government and corporate securities and agrees to repurchase them on a specified date and at a specified price.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Denominated in Jamaica dollars	75,461	13,114	-	390
Denominated in United States dollars	108,210	30,823	21,387	19,928
Denominated in Pounds Sterling	140	138	151	164
	183,811	44,075	21,538	20,482

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Notes to the Financial Statements (continued)
March 31, 2015

15. Owed by subsidiary/owed to related parties

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Owed by subsidiaries				
Current accounts	-	-	1,287	175
Owed to related parties				
Current accounts	-	-	99	1,722
Dividend payable	64	267	64	267
Accrued management fees	168	86	168	86
	232	353	331	2,075

16. Notes payable

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Structured notes [See (i)]	55,036	24,634	55,036	24,529
Equity-linked notes [See (ii)	7,206	10,204	7,206	10,204
Credit linked notes [See iii)	5,552	-	5,552	-
Secured investment note [See iv)]	7,158	-	7,158	-
Margin loans payable [See (v)]	28,170	21,460	18,310	14,021
	103,122	56,298	93,262	48,754

(i) Structured notes represent short to medium-term debt obligations issued by the Group. The notes are secured by a basket of securities and typically have fixed quarterly coupon payments, with a bullet payment of principal due at maturity.

(ii) Equity-linked notes are medium-term debt instruments issued by the Group, which pay a return that is linked to the Group's financial performance. These instruments pay a fixed quarterly coupon, with an annual bonus interest payment that is linked to the return on equity of the Group.

(iii) Credit linked notes ("CLNs") are structured notes or collateralised debt obligations, which are issued by the Group. The performance of the CLNs is contingent on the performance of a specified asset, such as a loan, bond or other asset. The credit risk and cash flow characteristics resemble those of the underlying asset. CLNs essentially transfer the credit risk of the asset specified in the note from the issuer to the investors in the notes.

(d) The secured investment note issued in March 2015, with a tenor of 27 months ending June 6, 2017, is secured by the assignment of equity shares held by the Company in Access Financial Services Limited and Knutsford Express Limited. Interest is paid quarterly at a fixed rate of 10.5% per annum.

16. Notes payable (cont'd)

(v) Margin loans payable represent short-term debt facilities provided by brokerage firms to the Group and used by the Group to:

- acquire securities on its own account. The facilities are collateralised by the securities held with the brokerage firms, with the proceeds being used by the Group to purchase additional securities;

- fund facilities offered to its clients. The clients have agreed with the Group that the securities purchased may be re-pledged or otherwise offered by the Group as collateral for the margin facility extended to the Group by the brokerage firm [note 6(a)].

17. Preference shares

		Group and Company	
	J$'000	2015 $'000	2014 $'000
Managers' preference shares [See (a)]		1	1
8% Cumulative redeemable preference shares [See (b) below and note 19]			
At beginning of year	976,374	8,910	9,921
Effect of exchange rate fluctuation	-	(437)	(1,011)
At end of year	976,374	8,473	8,910
		8,474	8,911

(a) The terms and conditions of the manager's preference shares include the following:

(i) the manager's preference shares shall rank *pari passu* as between and among themselves;

(ii) each manager's preference share is entitled to a cumulative annual preference dividend in the sum which is equal to:

(1) 25% of the profits and gains of the Company in each financial year in excess of the Annual Earnings Hurdle (computed in accordance with the formula set out in the terms and conditions of issue) for such financial year, divided by

(2) the number of manager's preference shares in issue when the said cumulative annual preference dividend is paid; and for this purpose the Annual Earnings Hurdle shall be the amount which results when the hurdle rate is applied to the average equity of the Company during such financial year.

17. Preference shares (cont'd)

(a) The terms and conditions of the manager's preference shares include the following (cont'd):

(iii) Apart from the right to the cumulative annual preference dividend, the manager's preference shares have no economic rights or entitlements save for the right on a winding up to the repayment of the capital paid thereon on a *pari passu* basis with the capital paid on the ordinary shares.

(iv) Each manager's preference share has votes attaching to it that are a multiple of the votes attaching to each ordinary share on all resolutions and decisions at a general meeting, such that the preference share votes will be at least equal to the votes of the ordinary shares, except on any resolution intended to vary the formula for computing the dividend payable to the preference shareholders, in which case each manager's preference share is entitled to one vote.

(b) The terms and conditions of the 8% Cumulative redeemable preference shares include the following:

(i) The right to a preferential dividend at the agreed annual rate, payable out of the profits of the Company, calculated on the capital paid up on the preference stock units, and any dividend not paid shall accumulate until paid;

(ii) The right to preferential repayment of paid-up preference capital, and any arrears of preference dividend upon the winding up or the Company or other return of capital;

(iii) No right to vote at any general meeting of the Company except where the dividend on the preference stock units are past due more than twelve months, and/or the notice for the redemption of preference stock units is past due and/or a resolution to wind up the company has been passed;

(iv) The Company may redeem all or any of the preference stock units on or before December 23, 2016 at J$5.00 each.

The dividend on both classes of preference shares is recorded as interest expense in the statement of profit or loss and other comprehensive income.

18. Deferred tax assets/(liabilities)

	Group					
	Asset		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	$000	$000	$000	$000	$000	$000
Deferred tax asset/(liability) is attributable to the following:						
Property, plant and equipment	(26)	(4)	-	(27)	(14)	(31)
Other receivables	(770)	(16)	-	(101)	(738)	(117)
Unrealised foreign exchange gains	242	-	-	(336)	249	(336)
Investment property	(5)	-	-	-	-	-
Available-for-sale investment securities	288	-	-	224	274	224
Other liabilities	206	24	-	51	226	75
Tax losses	211	-	-	-	199	-
Exchange difference on translation	50	-	-	-	-	-
Other	36	-	-	(3)	36	(3)
	232	4	-	(192)	232	(188)

	Group							
	Balance at March 31, 2013	Recognised in profit and loss	Recognised in equity	Balance at March 31, 2014	Recognised in profit and loss	Recognised in equity	Acquired business combination	Balance at March 31, 2015
	$000	$000	$000	$000	$000	$000	$000	$000
Property, plant and equipment	(31)	-	-	(31)	(30)	-	35	(26)
Other receivables	(107)	(10)	-	(117)	29	-	(682)	(770)
Unrealised foreign exchange gains	(230)	(106)	-	(336)	578	-	-	242
Investment property	-	-	-	-	259	-	(264)	(5)
Available-for-sale investment securities	25	-	201	226	-	62	-	288
Other liabilities	119	(74)	-	45	(67)	-	228	206
Tax losses	-	-	-	-	(306)	-	517	211
Exchange difference on translation	-	-	28	28	-	22	-	50
Other	16	(19)	-	(3)	34	-	5	36
	(208)	(209)	299	(188)	497	84	(161)	232

19. Share capital

	2015 $'000	2014 $'000
Authorised:		
2,999,990,000 Ordinary shares, par value US$0.01 each	29,999,900	29,999,900
10,000 Manager's Preference Shares, par value US$0.01 each	100	100
300,000,000 8% Cumulative Redeemable Preference Shares, par value US$0.01 each	3,000,000	3,000,000
	33,000,000	33,000,000

	2015 Units	2014 Units	2015 $'000	2014 $'000
Issued and fully paid:				
Ordinary shares	368,689,855	294,951,884	39,980	29,657
Manager's Preference Shares	10,000	10,000	1	1
8% Cumulative Redeemable Preference Shares	200,000,000	200,000,000	8,473	8,910
			48,454	38,568
Less: Preference shares reclassified to liability (see note 17)			(8,474)	(8,911)
			39,980	29,657

(a) On May 30, 2014, the company issued an additional 73,737,971 ordinary shares at $0.14 per share for the aggregate increase in ordinary share capital of $10,323,000 (2014: Nil).

(b) The holders of the ordinary shares are entitled to receive dividends from time to time, and are entitled to one vote per share at meetings of the Company.

(c) The rights and entitlements of the holders of the preference shares are set out in note 17.

20. Fair value reserve

This represents the cumulative net unrealised gains/(losses) in fair value, net of taxation, on the revaluation of available-for-sale investment securities, and remains until the securities are disposed of or impaired.

21. Foreign exchange translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in foreign operations.

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22. Net interest income

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Interest income:				
BOJ certificates of deposit	30	-	-	-
GOJ benchmark investment notes	4,041	1,098	118	82
GOJ investment bonds	-	82	-	-
GOJ local registered stock	11	2	-	-
Hire purchase	103	-	-	-
Regional and corporate bonds	3,335	1,702	2,906	1,701
Global bonds	3,861	588	2,651	-
Resale agreements	3,168	87	45	53
Commercial papers	46	3,232		
Corporate note	888	-	888	3,328
Other loans receivable	2,403	253	-	-
Credit-linked notes	-	25	-	25
Other	746	799	3	3
	18,632	7,868	6,611	5,192
Interest expense:				
Interest on margins	530	723	530	572
Repurchase agreements	5,896	1,163	606	291
Credit-linked notes	-	59	-	-
Notes payable	2,864	1,151	2,671	1,348
Preference shares	709	764	722	764
Other	983	789	31	362
	10,982	4,649	4,560	3,337
Net interest income	7,650	3,219	2,051	1,855

23. Net fair value adjustments and realised gains

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Fair value adjustment for investment property	(48)	(32)	-	-
Fair value gains on fixed income securities	(363)	1,573	1,001	1,384
Fair value gains on equity securities	806	1,387	801	1,039
Gains/(losses) on currency trading	(8)	34	(8)	34
	387	2,962	1,794	2,457

24. Staff costs

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Salaries, wages and related costs	2,329	997	104	100
Bonus and ex-gratia payments	68	77	-	-
Redundancy costs	42	48	-	-
Statutory payroll contributions	119	106	-	-
Pension costs - defined contribution plan	54	37	-	-
Staff welfare	147	55	-	-
Other	93	-	-	-
	2,852	1,320	104	100

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Notes to the Financial Statements (continued)
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24. Staff costs (cont'd)

Included in staff costs are the following directors' emoluments:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Fees	140	77	50	52
Management remuneration	274	127	-	-

25. Other operating expenses

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Audit fees	130	88	43	39
Bad debt expense/(recovery), net	(151)	82	-	82
Irrecoverable GCT	320	193	197	128
Insurance	51	27	9	-
Legal and other professional fees	557	151	220	68
Licenses and permits	244	102	-	-
Marketing and advertising	349	209	119	88
Miscellaneous	357	219	46	25
Management fees (note 27 (c)]	854	689	854	689
Irrecoverable income tax withheld	154	32	154	32
Office rent	232	81	-	-
Commission expenses and fees	59	13	857	694
Printing and stationery	133	43	-	-
Repairs and maintenance	403	124	-	-
Subscriptions and donations	18	13	-	-
Travelling	110	43	48	19
Utilities	181	83	-	-
Other operating expenses	823	-	-	-
	4,824	2,192	2,547	1,864

26. Taxation

(a) The tax charge for income tax is computed at 1%, 25% and 33⅓% (depending on the jurisdiction) of profit for the year as adjusted for tax purposes, and is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
(i) Current tax charge:				
Charge on current period's profits:				
Income tax at 1%	31	10	31	10
Income tax at 33⅓%	272	16	-	-
Income tax at 25%	190	-	-	-
	493	26	31	10
(ii) Deferred tax credit:				
Origination and reversal of temporary differences	(497)	209	-	-
(iii) Prior year over provision	(56)	-	(42)	-
Total income tax (credit)/charge	(60)	235	(11)	10

26. Taxation (cont'd)

(b) Reconciliation of effective tax rate:

The tax rate for two of the subsidiaries is 25% and 33⅓% of profit before income tax adjusted for tax purposes, while the tax rate for the Company is 1% of profits. The actual charge for the period is as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Profit before taxation	5,913	4,015	287	4,150
Computed "expected" tax expense at 1%	3	40	3	42
Computed "expected" tax expense at 25%	356	10	-	-
Computed "expected" tax expense at 33⅓%	266	294	-	-
	625	344	3	42
Difference between profits for financial statements and tax reporting purposes on -				
Depreciation charge and capital allowances	(2)	4	-	-
Income exempt from income tax	(90)	(77)	-	-
Disallowed expenses	58	48	-	9
Tax losses	(248)	-	-	-
Tax re-mission on subsidiary	(190)	-	-	-
Other	(213)	(84)	(14)	(41)
Actual tax expense	(60)	235	(11)	10

27. Related party transactions

(a) Definition of related party

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or of a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

27. Related party transactions (cont'd)

(ii) An entity is related to the Group if any of the following conditions applies (cont'd):

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled, or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

(b) Identity of related parties

The Group has a related party relationship with its subsidiaries and associates and with its directors and executive officers and those of its subsidiaries and associates.

(c) The Group has engaged a related party, Proven Management Limited, to provide investment management services in relation to financial instruments held in a number of funds, and the business and operations of the Group, for a fee. The fee is charged at 2% of the Company's Average Net Asset Value in the financial year.

	Group and Company	
	2015	2014
	$'000	$'000
Investment management fees paid for the year	760	603
Fees accrued at end of year	94	86
	854	689

(d) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors and executive officers. Key management compensation for the year, included in staff costs (note 24), is as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Directors' fees	140	77	50	52
Management remuneration	274	196	-	-

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27. Related party transactions (cont'd)

(e) The statement of financial position includes balances, arising in the ordinary course of business, with its related parties, as follows:

	Subsidiary 2015 $'000	Directors and key management 2015 $'000	Subsidiary 2014 $'000	Directors and key management 2014 $'000
Resale agreements	-	161	954	-
Other receivables	-	289	-	190
Repurchase agreements	151	-	-	182
Other liabilities	2	-	-	9

Other amounts with related parties are disclosed in note 15.

(f) The statement of profit or loss and other comprehensive income includes the following income earned from, and expenses incurred in, transactions with related parties:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Proven Wealth Limited				
Interest income	-	-	46	52
Proven Management Limited				
Dividends paid	1,266	819	1,266	819
Dividends accrued at end of year	190	150	190	150
	1,456	969	1,456	969
Management fees	854	689	854	689

28. Financial instruments - risk management

(a) Introduction and overview:

By its nature, the Group's activities are principally related to the use of financial instruments. The Group's activities therefore expose it to a variety of financial risks: credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and price risk. The Group's aim is therefore to achieve an appropriate balance between risk and return and 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.

28. Financial instruments - risk management (cont'd)

(a) Introduction and overview (cont'd):

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees for managing and monitoring risks, as follows:

(i) Investment Management Committee
(ii) Audit Committee

The Investment Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group accepts investments from customers at both fixed and floating rates and for various periods and seeks to earn above average interest margins by investing these funds in high quality assets. The Group seeks to increase these margins by consolidating short-term funds and investing for longer periods at higher rates while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also trades in financial instruments where it takes positions to take advantage of short-term market movements in bond prices and in foreign exchange and interest rates. To manage the associated risks, trading limits are placed on the level of exposure that can be taken.

(b) Credit risk:

Credit risk is the risk of default by an obligor. This risk is managed primarily by reviews of the financial status of each obligor. The primary concentration of the Group's credit risks relates to investments in government securities. With the exception of investments in government securities and government-backed securities, there are no significant concentrations of credit risk.

(i) Maximum exposure to credit risk:

The maximum credit exposure, the total amount of loss the Group would suffer if every counterparty to the Group's financial assets were to default at once, is represented by the carrying amount of financial assets exposed to credit risk.

The Group manages the credit risk on items exposed to such risk as follows:

- Cash and cash equivalents

  These are held with reputable, regulated financial institutions. Collateral is not required for such accounts as management regards the institutions as strong.

- Resale agreements

  Collateral is held for all resale agreements in amounts that secure the collection of both principal and interest to be earned thereon.

28. Financial instruments - risk management (cont'd)

(b) Credit risk (cont'd):

(i) Maximum exposure to credit risk (cont'd):

- Investment securities

  In relation to its holding of investment securities, the Group manages the level of risk it undertakes by investing substantially in short-term Government of Jamaica debt securities; such securities are generally unsecured. Management does not expect any counterparty to fail to meet its obligations.

- Accounts receivable

  Exposure to credit risk is managed by regular analysis of the ability of the customers and other counter parties to meet repayment obligations.

- Loans receivable

  The Group's policy requires that proposed significant loans are approved by the Investment Committee prior to disbursement, with the Committee thereafter monitoring the performance of the credit.

(ii) Concentration of credit risk:

There is significant concentration of credit risk in that the Group holds significant amounts of debt securities issued by Government of Jamaica and Bank of Jamaica. There is no other significant concentration of credit risk.

(iii) Impairment:

The financial assets which were considered impaired at the reporting date are set out in notes 6 and 7.

During the period, there was no change in the nature of the Group's exposure to credit risk or to the manner in which it measures and manages the risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. Prudent liquidity risk management procedures which the Group uses include maintaining sufficient cash and marketable securities, and monitoring future cash flows and liquidity on a daily basis.

28. Financial instruments - risk management (cont'd)

(c) Liquidity risk (cont'd)

(i) Liquidity risk management:

The Group's liquidity management process, as carried out within the Group and monitored by the Investment Management Committee, 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 funding if required;

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

(iii) Optimising cash returns on investment;

(iv) Monitoring liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and

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

The table below presents the undiscounted cash flows payable (both interest and principal cash flows) based on contractual repayment obligations. The tables also reflect the expected maturities of the Group's liabilities at the reporting date.

	Group							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
					2015			
Liabilities								
Repurchase agreements	133,326	40,728	11,213	13	-	-	185,280	183,811
Notes payable	1,317	7,755	50,871	31,011	-	18,714	109,668	103,122
Owed to related party	-	-	-	-	-	331	331	331
Preference shares	-	174	349	10,049	-	-	10,572	8,474
Other liabilities	8,841	477	822	-	-	3,978	14,118	14,118
Total financial liabilities	143,484	49,134	63,255	41,073	-	23,023	319,969	309,856
					2014			
Liabilities								
Repurchase agreements	17,164	17,322	4,047	1,411	5,306	-	45,250	44,075
Owed to related party	-	-	-	-	-	353	353	353
Notes payable	63	6,108	13,570	24,690	815	14,052	59,298	56,298
Preference shares	-	181	552	10,418	-	12	11,163	8,911
Other liabilities	-	-	-	-	-	5,826	5,826	5,826
Total financial liabilities	17,227	23,611	18,169	36,519	6,121	20,243	121,890	115,463

28. Financial instruments - risk management (cont'd)

(c) Liquidity risk (cont'd)

(i) Liquidity risk management (cont'd):

	Company							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
					2015			
Liabilities								
Repurchase agreements	2,006	14,860	4,712	-	-	-	21,578	21,538
Owed to related party	-	-	-	-	-	331	331	331
Notes payable	-	3,574	45,602	28,049	-	17,595	94,820	93,262
Preference shares	-	174	349	9,759	-	-	10,282	8,474
Other liabilities	-	-	-	-	-	3,103	3,103	3,103
Total financial liabilities	2,006	18,608	50,663	37,808	-	21,029	130,114	126,708
					2014			
Liabilities								
Repurchase agreements	948	13,599	-	1,408	5,306	-	21,261	20,482
Owed to related party	-	-	-	-	-	2,075	2,075	2,075
Notes payable	-	2,340	7,339	27,076	815	14,052	51,622	48,754
Preference shares	-	181	552	10,418	-	12	11,163	8,911
Other liabilities	-	-	-	-	-	330	330	330
Total financial liabilities	948	16,120	7,891	38,902	6,121	16,469	86,451	80,552

(d) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. These arise mainly from changes in interest rate, foreign currency rates and equity prices and will affect the Group's income or the value of its holdings of financial instruments. Market risk is monitored by the Investment Management Committee which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

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

(i) Foreign currency risk:

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Group is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the functional currency. The main currencies giving rise to this risk are the Jamaica dollar (J$), and Great Britain Pound (GBP). The Group manages this risk by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept to the targeted levels by buying or selling currencies at spot rates when necessary to address imbalances.

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Notes to the Financial Statements (continued)
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28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

(i) Foreign currency risk (cont'd):

At the reporting date, exposure to foreign currency risk was as follows:

	Group		
	2015		
	J$	GBP	Other
	$'000	$'000	$'000
Assets:			
Cash and cash equivalents	168,083	55	719
Resale agreements	8,970	102	-
Investment securities	181,609	3,000	-
Loans receivable	1,925,249	-	-
Due from related party		-	5
Other	37,172	65	-
	2,321,083	3,222	724
Liabilities			
Repurchase agreements	8,829	197	-
Owed to related parties	12,418	-	-
Notes payable	2,514,457	-	-
Preference shares	983,645	-	-
Other	227,929	-	-
	3,747,278	197	-
Net position	(1,426,195)	(3,025)	724

	2014		
	J$	GBP	Other
	$'000	$'000	$'000
Assets:			
Cash and cash equivalents	27,155	101	17
Resale agreements	176,176	-	-
Investment securities	226,838	-	329
Loans receivable	888,400	-	-
Due from related party	-	-	-
Other	523,829	36	11
	1,842,398	137	357
Liabilities			
Loans payable		-	-
Repurchase agreements	1,475,741	84	-
Credit-linked notes	-	-	-
Owed to related parties	33,451		-
Notes payable	639,242	-	-
Preference shares	983,645	-	-
Other	115,527	1	-
	3,247,606	85	-
Net position	(1,405,208)	52	357

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Notes to the Financial Statements (continued)
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28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

(i) Foreign currency risk (cont'd):

	Company			
	2015		2014	
	J$	GBP	J$	GBP
	$'000	$'000	$'000	$'000
Assets:				
Cash and cash equivalents	29,332	-	842	100
Resale agreements	-	-	-	-
Loans receivable	430,926	-	635,705	-
Investment securities	171,093	3,000	220,838	-
Due from related party	145,614	-	17,564	-
Other	2,496	-	15,397	-
	779,461	3,000	890,346	100
Liabilities				
Owed to related parties	12,482	-	33,451	-
Notes payable	1,845,250	-	639,242	-
Preference shares	983,645	-	983,645	-
Repurchase agreement		102	42,469	100
Other	2,245	-	4,121	1
	2,843,622	102	1,702,928	101
Net position	(2,064,161)	2,898	(812,582)	(1)

Sensitivity to exchange rate movements:

The following indicates the sensitivity to changes in foreign currency exchange rates of the Group's profit and shareholders' equity. It is computed by applying a reasonably possible change in exchange rates to foreign ecurrency denominated monetary assets and liabilities as assessed by management at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

	% change in currency rate 2015	Group Effect on profit 2015 $'000	Group Effect on comprehensive income 2015 $'000	Company Effect on profit 2015 $'000	Company Effect on comprehensive income 2015 $'000
Currency:					
JMD	1% Revaluation	(126)	-	(182)	-
GBP	1% Revaluation	(1)	-	20	-
Other	1% Revaluation	-	-	-	-

28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

(i) Foreign currency risk (cont'd):

	% change in currency rate 2015	Group Effect on profit 2015 $'000	Group Effect on comprehensive income 2015 $'000	Company Effect on profit 2015 $'000	Company Effect on comprehensive income 2015 $'000
Currency:					
JMD	10% Devaluation	1,130	-	1,637	-
GBP	10% Devaluation	12	-	(256)	-
Other	10% Devaluation	(1)	-	-	-

	% change in currency rate 2014	Group Effect on profit 2014 $'000	Group Effect on comprehensive income 2014 $'000	Company Effect on profit 2014 $'000	Company Effect on comprehensive income 2014 $'000
Currency:					
JMD	1% Revaluation	(106)	-	(74)	-
GBP	1% Revaluation	-	-	-	-
Other	1% Revaluation	-	-	-	-

	% change in currency rate 2014	Group Effect on profit 2014 $'000	Group Effect on comprehensive income 2014 $'000	Company Effect on profit 2014 $'000	Company Effect on comprehensive income 2014 $'000
Currency:					
JMD	15% Devaluation	1,593	6	1,115	3
GBP	15% Devaluation	-	-	-	-
Other	15% Devaluation	-	-	-	-

(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. The Group manages this risk by monitoring interest rates daily. Even though there are no formally predetermined gap limits, where possible and to the extent judged appropriate, the maturity profile of its financial assets is matched by that of its financial liabilities; where gaps are deliberately arranged, management expects that its monitoring will, on a timely basis, identify the need to take appropriate action to close a gap if it becomes necessary.

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

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Notes to the Financial Statements (continued)
March 31, 2015

28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

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

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-earning financial assets and interest-bearing financial liabilities. The Investment Management Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by management and reported monthly to the Investment Management Committee.

The table below summarises exposure to interest rate risk. Included in the tables are the carrying amounts of financial assets and financial liabilities, categorised by the earlier of contractual repricing and maturity dates.

	Group						
	2015						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	10,908	10,908
Resale agreements	4,695	73,234	77	-	-	-	78,006
Investment securities	6,000	131	12,564	62,315	106,914	20,455	208,379
Loans receivable	12,278	2,259	7,758	3,250	-	213	25,758
Other	-	-	-	535	-	7,430	7,965
Total assets	22,973	75,624	20,399	66,100	106,914	39,006	331,016
Liabilities							
Repurchase agreements	132,291	40,414	11,094	12	-	-	183,811
Owed to related parties	-	-	-	-	-	232	232
Notes payable	64	3,370	46,355	27,830	-	25,503	103,122
Preference shares	-	-	-	8,473	-	1	8,474
Other	-	-	-	-	-	13,222	13,222
Total liabilities	132,355	43,784	57,449	36,315	-	39,057	308,960
Interest rate sensitivity gap	(109,382)	31,840	(37,050)	29,785	106,914	(51)	22,056
Cumulative interest rate sensitivity gap	(109,382)	(77,542)	(114,592)	(84,807)	22,107	22,056	

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Notes to the Financial Statements (continued)
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28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

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

Group

2014

	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	4,480	4,480
Resale agreements	2,083	-	215	-	-	-	2,298
Investment securities	-	-	453	6,768	65,953	41,744	114,918
Loans receivable	151	1,602	10,037	8,522	-	-	20,312
Other	-	-	-	-	-	3,643	3,643
Total assets	2,234	1,602	10,705	15,290	65,953	49,867	145,651
Liabilities							
Repurchase agreements	17,708	16,663	3,711	1,303	4,690	-	44,075
Owed to related parties	-	-	-	-	-	353	353
Notes payable	-	2,154	6,781	25,883	8	21,472	56,298
Preference shares	-	-	-	8,910	-	1	8,911
Other	-	-	-	-	-	5,826	5,826
Total liabilities	17,708	18,817	10,492	36,096	4,698	27,652	115,463
Interest rate sensitivity gap	(15,474)	(17,215)	213	(20,806)	61,255	22,215	30,188
Cumulative interest rate sensitivity gap	(15,474)	(32,689)	(32,476)	(53,282)	7,973	30,188	-

Company

2015

	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and bank	-	-	-	-	-	946	946
Investment securities	-	-	5,612	41,106	46,919	20,395	114,032
Loans receivable	-	-	2,500	7,005	-	-	9,505
Other assets	-	-	-	-	-	1,525	1,525
Due from related party	-	-	-	-	-	1,287	1,287
Total assets	-	-	8,112	48,111	46,919	24,153	127,295
Liabilities							
Repurchase agreements	2,001	14,845	4,692	-	-	-	21,538
Owed to related parties	-	-	-	-	331	-	331
Preference shares	-	-	-	8,473	-	1	8,474
Other liabilities	-	-	-	-	-	3,103	3,103
Notes payable	-	3,370	45,132	27,165	-	17,595	93,262
Total liabilities	2,001	18,215	49,824	35,638	331	20,699	126,708
Total interest rate sensitivity gap	(2,001)	(18,215)	(41,712)	12,473	46,588	3,454	587
Cumulative interest rate sensitivity gap	(2,001)	(20,216)	(61,928)	(49,455)	(2,867)	587	-

28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

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

	Company						
	2014						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and bank	-	-	-	-	-	255	255
Investment securities	-	-	-	20,306	52,964	20,047	93,317
Loans receivable	-	-	2,371	7,446	-	-	9,817
Other assets	-	-	-	-	-	1,247	1,247
Due from related party	-	-	-	-	-	175	175
Total assets	-	-	2,371	27,752	52,964	21,724	104,811
Liabilities							
Repurchase agreements	945	13,545	-	1,300	4,692	-	20,482
Owed to related parties	-	-	-	-	-	2,075	2,075
Preference shares	-	-	-	8,910	-	1	8,911
Other liabilities	-	-	-	-	-	330	330
Notes payable	-	2,154	6,685	25,882	-	14,033	48,754
Total liabilities	945	15,699	6,685	36,092	4,692	16,439	80,552
Total interest rate sensitivity gap	(945)	(15,699)	(4,314)	(8,340)	48,272	5,285	24,259
Cumulative interest rate sensitivity gap	(945)	(16,644)	(20,958)	(29,298)	18,974	24,259	-

The table below summarises the effective interest rate by major currencies for financial instruments at the reporting date.

	Group				Company			
	2015				2015			
	J$ %	US$ %	GBP %	Euro %	J$ %	US$ %	GBP %	Euro %
Assets								
Resale agreements	4.90	3.13	2.25	-	-	-	-	-
Investment securities	7.04	6.71	13.50	-	7.01	6.45	13.50	-
Loans receivable	7.00	2.34	-	-	7.00	3.00	-	-
Liabilities								
Repurchase agreements	5.96	1.87	13.14	-	-	2.00	2.25	-
Notes payable	4.93	3.44	-	-	4.52	3.58	-	-
Preference shares	8.00	-	-	-	8.00	-	-	-

	Group				Company			
	2014				2014			
	J$ %	US$ %	GBP %	Euro %	J$ %	US$ %	GBP %	Euro %
Assets								
Resale agreements	4.84	4.62	1.80	-	-	-	-	-
Investment securities	7.12	5.34	-	6.83	7.01	6.44	-	-
Loans receivable	6.31	2.92	1.45	-	10.05	6.38	-	-
Liabilities								
Repurchase agreements	6.82	3.70	1.95	-	10.93	2.00	2.25	-
Notes payable	5.38	3.43	-	-	5.38	3.43	-	-
Preference shares	8.00	-	-	-	8.00	-	-	-

28. Financial instruments - risk management (cont'd)

(d) Market risk (cont'd):

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

Sensitivity to interest rate movements

The following table indicates the sensitivity to interest rate movements at the reporting date, on the Group's profit or loss and shareholders' equity. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group	
	2015	2014
J$ interest rates	Increase by 250 bps Decrease by 100 bps	Increase by 250 bps Decrease by 100 bps
US$ interest rates	Increase by 200 bps Decrease by 50 bps	Increase by 200 bps Decrease by 50 bps

	2015		2014	
	Effect on profit $'000	Effect on equity $'000	Effect on profit $'000	Effect on equity $'000
Direction of change in basis points:				
Increase in interest rates	(361)	(5,604)	(753)	(16,805)
Decrease in interest rates	70	1,174	178	1,175

	Company	
	2015	2014
US$ interest rates	Increase by 200 bps Decrease by 50 bps	Increase by 200 bps Decrease by 50 bps

	Effect on profit $'000	Effect on equity $'000	Effect on profit $'000	Effect on equity $'000
Direction of change in basis points:				
Increase in interest rates	-	(5,551)	-	(4,396)
Decrease in interest rates	-	1,164	-	2,609

(iii) Price risk:

Equity price risk arises from equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's exposure to price risk is represented by the total carrying value of equity investments on the statement of financial position of $19,912,000 (2014: $1,422,012) for the Group and $19,852,000 (2014: $1,422,000) for the Company.

Sensitivity to equity price movements

A 10% increase in stock prices at March 31, 2015 would have increased other comprehensive income by $1,991,200 (2014: $142,200) for the Group and $1,985,200 (2014: $1,573,000) for the Company; an equal change in the opposite direction would have decreased profit by an equal amount.

28. Financial instruments - risk management (cont'd)

(e) Capital management:

The Group's objectives when managing capital, as it applies to the regulated subsidiary, are as follows:

(i) To comply with the capital requirements set by the Financial Services Commission ("the Commission");

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Commission. The required information is filed with the Commission on a monthly basis.

The Commission requires each securities dealer to:

(i) Hold the level of the regulatory capital at no less than 50% of Tier 1 Capital; and

(ii) Maintain a ratio of total regulatory capital to the risk-weighted assets at or above 10%.

The subsidiary's regulatory capital is managed by its compliance officer and is divided into two tiers:

(i) Tier 1 capital: issued and fully paid-up capital in the form of ordinary shares, retained earnings and reserves; and

(ii) Tier 2 capital: redeemable cumulative preference shares.

The risk-weighted assets are measured by means of stipulated weights applied to the risk-based assets and other risk exposures as determined by the Commission.

The table below summarises the composition of regulatory capital and the ratios of the Company's subsidiaries that are regulated by the Commission. These ratios were in compliance with the requirements of the Commission throughout the year under review:

	Proven Wealth Limited		PWL Transition Limited
	2015	2014	2015
	$'000	$'000	
Tier 1 capital:			
Ordinary shares	779	779	8,396
Retained earnings and reserves	18,729	6,783	(6,050)
Total qualifying tier 1 capital	19,508	7,562	2,346
Tier 2 capital:			
Redeemable preference shares, being total qualifying tier 2 capital	390	390	-
Total regulatory capital	19,898	7,952	2,346
Total risk-weighted assets	112,562	36,892	-

28. Financial instruments - risk management (cont'd)

(e) Capital management (cont'd):

The FSC requires the subsidiaries to maintain certain specific ratios, as follows:

	2015	2014	2015
(i) Tier 1 capital to total regulatory capital:			
Minimum required	50.00%	50.00%	50.00%
Actual	99.00%	96.00%	100.00%
(ii) Regulatory capital to total assets:			
Minimum required	6.00%	6.00%	6.00%
Actual	10.00%	17.00%	74.99%
(iii) Regulatory capital to risk-weighted assets:			
Minimum required	10.00%	10.00%	10.00%
Actual	17.67%	20.77%	74.99%

29. Financial instruments – fair values

(a) Definition and measurement of fair values

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible. Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

Level 1 refers to financial assets and financial liabilities that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 refers to financial assets and financial liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions, and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in funds with fair values obtained via fund managers, and assets that are valued using a model whereby the majority of assumptions are market observable.

29. Financial instruments – fair values (cont'd)

(a) Definition and measurement of fair values (cont'd)

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(b) Valuation techniques for investment securities classified as Level 2

Type	**Valuation techniques**
Foreign currency forward contracts	• Obtain last traded price of the forward on the date of valuation, provided by the recognized broker/dealer through which the forward contract is obtained. • Apply price to estimate fair value.
Government of Jamaica securities:	
US$ denominated Securities	• Obtain bid price provided by a recognized independent source, namely, Bloomberg. • Apply price to estimate fair value.
J$ Denominated Securities	• Obtain bid price provided by a recognized source (which uses Jamaica-market source indicative bid). • Apply price to estimate fair value.
Global bonds	• Obtained bid price provided by recognized independent pricing source, namely, Bloomberg. • Apply price to estimate fair value.
Mutual funds	• Obtain prices quoted by unit trust managers. • Apply price to estimate fair value.
Corporate bonds	• Obtained bid price provided by recognized independent pricing source, namely, Bloomberg. • Apply price to estimate fair value.
Credit-linked notes	• Obtain price based on the quoted price of the underlying credit default swap which is derived from Bloomberg on the valuation date, plus the valuation of the underlying note. • Apply price to estimate fair value.

29. Financial instruments – fair values (cont'd)

(c) Accounting classifications and fair values:

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) is not disclosed.

		Group								
		2015								
		Carrying amount					Fair value			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	367	1	-	368	368	-	-	368
Foreign currency forward	5	-	-	723	-	723	-	723	-	723
Government of Jamaica securities	5	-	50,596	-	-	50,596	-	50,596	-	50,596
Mutual funds		-	19,603	-	-	19,603	-	19,603	-	19,603
Global bonds	5	-	61,253	-	-	61,253	-	61,253	-	61,253
Mutual funds	5	-	1,904	-	-	1,904	-	1,904	-	1,904
Corporate bonds	5	-	46,513	-	-	46,513	-	46,513	-	46,513
Credit link notes	5	-	-	17,483	-	17,483	-	17,483	-	17,483
Treasury bills		-	6,000	-	-	6,000	-	6,000	-	6,000
		-	186,236	18,207	-	204,443	368	204,075	-	204,443
Financial assets not measured at fair value:										
Global bonds		3,936	-	-	-	3,936				
Resale agreements	4	78,157	-	-	-	78,157				
Loans receivable	6	25,758	-	-	-	25,758				
Cash and cash equivalents		6,816	-	-	-	6,816				
Owed by related party		10,908	-	-	-	10,908				
Other assets	7	1,286	-	-	-	1,287				
		126,861	-	-	-	126,862				
Financial liabilities not measured at fair value:										
Other liabilities		-	-		14,118	14,118				
Notes payable	16	-	-	-	103,122	103,122				
Repurchase agreements	14	-	-	-	183,811	183,811				
Owed to related party	15	-	-	-	232	232				
		-	-	-	301,283	301,283				

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2015

29. Financial instruments – fair values (cont'd)

(c) Accounting classifications and fair values (cont'd):

		2014								
		Carrying amount					**Fair value**			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	1,422	12	-	1,434	1,434	-	-	1,434
Foreign currency forward	5	-	-	(9)	-	(9)	-	(9)	-	(9)
Government of Jamaica securities	5	-	14,372	-	-	14,372	-	14,372	-	14,372
Global bonds	5	-	34,392	-	-	34,392	-	34,392	-	34,392
Mutual funds	5	-	16,843	-	-	16,843	-	16,843	-	16,843
Corporate bonds	5	-	27,851	-	-	27,851	-	27,851	-	27,851
Credit link notes	5	-	-	18,782	-	18,782	-	18,782	-	18,782
		-	94,880	18,785	-	113,665	1,434	112,231	-	113,665
Financial assets not measured at fair value:										
Corporate bonds	5	9	-	-	-	9				
Government of Jamaica securities	5	1,244	-	-	-	1,244				
Resale agreements	4	2,298	-	-	-	2,298				
Loans receivable	6	20,312	-	-	-	20,312				
Cash and cash equivalents		4,480	-	-	-	4,480				
Owed by related party		36	-	-	-	36				
Other assets	7	3,452	-	-	-	3,452				
		31,831	-	-	-	31,831				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	5,826	5,826				
Notes payable	16	-	-	-	56,298	56,298				
Owed to related party	15	-	-	-	353	353				
Repurchase agreements	14	-	-	-	44,075	44,075				
		-	-	-	106,552	106,552				

29. Financial instruments – fair values (cont'd)

(c) Accounting classifications and fair values (cont'd):

Company

		2015								
		Carrying amount					**Fair value***			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	308	-	-	308	308	-	-	308
Government of Jamaica securities	5	-	1,484	-	-	1,484	-	1,484	-	1,484
Foreign currency forward	5	-	-	723	-	723	-	723	-	723
Global bonds	5	-	29,243	-	-	29,243	-	29,243	-	29,243
Mutual funds	5	-	19,603	-	-	19,603	-	19,603	-	19,603
Corporate bonds	5	-	45,188	-	-	45,188	-	45,188	-	45,188
Credit link notes	5	-	-	17,483	-	17,483	-	17,483	-	17,483
	5	-	95,826	18,206	-	114,032	308	113,724	-	114,032
Financial assets not measured at fair value:										
Corporate bonds	5	-	-	-	-	-				
Global bonds		-	-	-	-	-				
Government of Jamaica securities	5	-	-	-	-	-				
Resale agreements	4	-	-	-	-	-				
Loans receivable	6	9,505	-	-	-	9,505				
Cash and cash equivalents		946	-	-	-	946				
Other assets	7	42	-	-	-	42				
Owed by related parties		1,287	-	-	-	1,287				
		11,780	-	-	-	11,780				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	3,103	3,103				
Note payable	16	-	-	-	93,262	93,262				
Repurchase agreements	14	-	-	-	21,538	21,538				
Owed to related parties	15	-	-	-	331	331				
		-	-	-	118,234	118,234				

29. Financial instruments – fair values (cont'd)

(c) Accounting classifications and fair values (cont'd):

		2014								
		Carrying amount					**Fair value***			
	Notes	Loan and receivables	Available for sale	Fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:										
Quoted equities	5	-	1,422	-	-	1,422	1,422	-	-	1,422
Government of Jamaica securities	5	-	1,556	-	-	1,556	-	1,556	-	1,556
Global bonds	5	-	25,721	-	-	25,721	-	25,721	-	25,721
Mutual funds	5	-	16,843	-	-	16,843	-	16,843	-	16,843
Corporate bonds	5	-	28,993	-	-	28,993	-	28,993	-	28,993
Credit link notes	5	-	-	18,782	-	18,782	-	18,782	-	18,782
	5	-	74,535	18,782	-	93,317	1,422	91,895	-	93,317
Financial assets not measured at fair value:										
Corporate bonds	5	-	-	-	-	-				
Government of Jamaica securities	5	-	-	-	-	-				
Resale agreements	4	-	-	-	-	-				
Loans receivable	6	9,817	-	-	-	9,817				
Cash and cash equivalents		255	-	-	-	255				
Other assets	7	100	-	-	-	100				
Owed by related parties		175	-	-	-	175				
		10,347	-	-	-	10,347				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	101	101				
Note payable	16	-	-	-	48,754	48,754				
Owed to related parties	15	-	-	-	2,075	2,075				
Repurchase agreements	14	-	-	-	20,482	20,482				
		-	-	-	71,412	71,412				

30. Earnings per stock unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent, of $5,365,000 (2013: $3,788,000), by the weighted average number of ordinary stock units in issue during the year, numbering 356,400,194(2013: 294,951,884).

31. Distribution to equity holders

	Group and Company	
	2015	2014
	$'000	$'000
Distribution to ordinary shareholders at $0.90 (2013: $0.89)		
per share - parent	3,429	2,651
- non-controlling interest	221	-
	3,650	2,651

32. Lease commitments

At the reporting date, there were operating lease rental commitments, payable as follows:

	Group and Company	
	2015	2014
	$'000	$'000
Within one year	354	62
Subsequent years	805	32
	1,159	94

33. Subsequent event

(a) On March 24, 2015, the Company made 122,896,618 of its ordinary shares available for subscription by way of a renounceable rights issue of 1 new ordinary share for every block of 3 ordinary shares held at a subscription price of US$0.16/J$18.50 per share, and a further conditional offer of a maximum of 122,896,618 additional new ordinary shares at a subscription price of also US$0.16/J$18.50 per share. The offer closed on April 17, 2015 with applications for a total of 182,905,922 ordinary shares.

(b) On May 18, 2015, the Company purchased an additional 1,249,608 shares in Access Financial Services Limited, thereby increasing its interest to 49.72%.