Barita Investments Limited

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Independent Auditors' Report

To the Members of
Barita Investments Limited

Report on the Consolidated and Company Stand Alone Financial Statements
We have audited the accompanying consolidated financial statements of Barita Investments Limited and its subsidiary (the Group), set out on pages 1 to 63, which comprise the consolidated statement of financial position as at 30 September 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the accompanying financial statements of Barita Investments Limited standing alone, which comprise the statement of financial position as at 30 September 2013 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Company Stand Alone Financial Statements
Management is responsible for the preparation of consolidated and company stand alone financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and company stand alone financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated and company stand alone 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 about whether the consolidated and company stand alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and company stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and company stand alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated and company stand alone financial statements that give a true and fair view 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 consolidated and company stand alone financial statements.

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
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Opinion

In our opinion, the consolidated financial statements of Barita Investments Limited and its subsidiary, and the financial statements of Barita Investments Limited standing alone give a true and fair view of the financial position of the Group and the company as at 30 September 2013, and of their financial performance and cash flows for the year then ended, so far as concerns the members of Barita Investments Limited, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers

Chartered Accountants
30 November 2013
Kingston, Jamaica

Barita Investments Limited

Consolidated Statement of Comprehensive Income

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
Net Interest Income and Other Revenue			
Interest income		1,025,487	1,127,269
Interest expense		(586,881)	(673,985)
Net interest income		438,606	453,284
Fees and commission income		89,096	94,562
Dividend income		22,032	8,031
Foreign exchange trading and translation gains		156,748	46,632
(Loss)/gain on sale of investments		(195,968)	203,959
Other		2,186	2,512
Net operating revenue		512,700	808,980
Operating Expenses			
Staff costs	7	(216,652)	(250,940)
Administration costs		(218,220)	(206,362)
Impairment of available-for-sale investment		(7,328)	(4,071)
	6	(442,200)	(461,373)
Profit before Taxation		70,500	347,607
Taxation	8	(222)	(92,644)
Profit for the Year		70,278	254,963
Other Comprehensive Income:			
Items that may subsequently be reclassified to profit or loss -			
Unrealised losses on available- for- sale investments, net of taxes	8	(178,591)	(211,341)
Net gains recycled to profit or loss on disposal, maturity, and impairment of available -for- sale investments, net of taxes	8	(128,314)	(61,690)
		(306,905)	(273,031)
Total Comprehensive Income		(236,627)	(18,068)
Basic Earnings Per Share	15	$0.16	$0.57
Diluted Earnings Per Share	15	-	$0.57

Barita Investments Limited

Consolidated Statement of Financial Position

30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
ASSETS			
Cash and bank balances	10	92,145	122,144
Securities purchased under resale agreements	11	1,169,371	1,308,449
Marketable securities	12	7,209,846	6,270,441
Pledged assets	13	3,898,350	5,102,514
Receivables	14	430,128	418,754
Loans receivable		117,543	106,505
Due from related parties	16	6,907	13,751
Property, plant and equipment	17	177,470	169,667
Intangible assets	18	69,093	50,425
Investments	19	2	2
Total assets		13,170,855	13,562,652
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	10	17,501	2,851
Securities sold under repurchase agreements		11,643,482	11,287,523
Payables	21	64,734	97,458
Due to related parties	16	-	582
Redeemable preference shares	22	-	206,507
Convertible preference shares	22	-	3,460
Taxation		14,249	90,714
Deferred tax liabilities	20	27,133	172,184
Total liabilities		11,767,099	11,861,279
Shareholders' Equity			
Share capital	22	754,994	765,154
Treasury shares	22	(10,145)	(10,145)
Capital reserve	23	28,506	28,506
Fair value reserve	24	(143,060)	163,845
Capital redemption reserve	25	220,127	-
Retained earnings		553,334	754,013
Total shareholders' equity		1,403,756	1,701,373
Total liabilities and shareholders' equity		13,170,855	13,562,652

Approved for issue by the Board of Directors on 30 November 2013 and signed on its behalf by:

Rita Humphries-Lewin	Director	Carl Domville	Director

Barita Investments Limited

Consolidated Statement of Changes in Shareholders' Equity

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Treasury Shares	Capital Reserve	Fair Value Reserve	Capital Redemption Reserve	Retained Earnings	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 30 September 2011	765,154	(10,145)	28,506	436,876	-	539,179	1,759,570
Total comprehensive income							
Profit for the year	-	-	-	-	-	254,963	254,963
Other comprehensive income	-	-	-	(273,031)	-	-	(273,031)
	-	-	-	(273,031)	-	254,963	(18,068)
Transactions with owners:							
Dividends paid	-	-	-	-	-	(40,129)	(40,129)
	-	-	-	-	-	(40,129)	(40,129)
Balance at 30 September 2012	765,154	(10,145)	28,506	163,845	-	754,013	1,701,373
Total comprehensive income							
Profit for the year	-	-	-	-	-	70,278	70,278
Other comprehensive income	-	-	-	(306,905)	-	-	(306,905)
	-		-	-	-	70,278	(236,627)
Transactions with owners:							
Redemption of convertible preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	220,127	(220,127)	-
Balance at 30 September 2013	754,994	(10,145)	28,506	(143,060)	220,127	553,334	1,403,756

Barita Investments Limited

Consolidated Statement of Cash Flows

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
Cash Flows from Operating Activities			
Net profit		70,278	254,963
Adjusted for:			
Depreciation and amortisation		15,967	15,114
Effect of exchange gain on foreign balances		(130,352)	(25,757)
Impairment of available-for-sale investments		7,328	4,071
Interest income		(1,025,487)	(1,127,269)
Interest expense		586,881	673,985
Profit on disposal of property, plant and equipment		(2,006)	-
Taxation expense	8	222	92,644
		(477,169)	(112,249)
Changes in operating assets and liabilities:			
Marketable securities, net		460,024	837,711
Securities purchased under resale agreements, net		205,509	165,949
Securities sold under repurchase agreements, net		(130,641)	(1,127,866)
Receivables		(11,374)	21,719
Loans receivable, net		(11,038)	(32,752)
Payables		(34,037)	14,690
Due from related companies		6,262	(5,078)
		7,537	(237,876)
Interest received		934,089	1,134,136
Interest paid		(594,584)	(661,536)
Income tax paid		(72,868)	(127,829)
Cash provided by operating activities		274,174	106,895
Cash Flows from Investing Activities			
Proceeds from the disposal of property, plant and equipment		2,006	-
Purchase of property, plant and equipment	17	(21,727)	(14,823)
Purchase of intangible asset		(20,725)	(16,936)
Cash used in investing activities		(40,446)	(31,759)
Cash Flows from Financing Activities			
Redemption of preference shares		(220,127)	-
Interest paid on preference shares		(8,261)	(25,229)
Dividends paid		(50,830)	(40,129)
Cash used in financing activities		(279,218)	(65,358)
Effect of exchange rate on cash and cash equivalents		841	2,153
(Decrease)/increase in net cash and cash equivalents		(44,649)	11,931
Net cash and cash equivalents at beginning of year		119,293	107,362
Net Cash and Cash Equivalents at End of Year	10	74,644	119,293

Barita Investments Limited

Company Statement of Comprehensive Income

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
Net Interest Income and Other Revenue			
Interest income		1,016,846	1,131,258
Interest expense		(584,973)	(679,630)
Net interest income		431,873	451,628
Fees and commission income		23,912	34,912
Dividend income		19,025	8,031
Foreign exchange trading and translation gains		156,748	46,632
(Loss)/gain on sale of investments		(194,606)	200,348
Other		4,715	694
Net operating revenue		441,667	742,245
Operating Expenses			
Staff costs	7	(195,797)	(224,684)
Administration costs		(200,979)	(190,771)
Impairment of available-for-sale investment		(7,328)	(4,071)
	6	(404,104)	(419,526)
Profit before Taxation		37,563	322,719
Taxation	8	7,449	(87,860)
Profit for the Year		45,012	234,859
Other Comprehensive Income:			
Items that may subsequently be reclassified to profit or loss -			
Unrealised losses on available- for- sale investments net of taxes	8	(173,892)	(204,872)
Net gains recycled to profit or loss on disposal, maturity and impairment of available -for- sale investments, net of taxes	8	(127,456)	(61,690)
		(301,348)	(266,562)
Total Comprehensive Income		(256,336)	(31,703)

Barita Investments Limited
Company Statement of Financial Position
30 September 2013
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
ASSETS			
Cash and bank balances	10	90,386	121,650
Securities purchased under resale agreements	11	1,169,371	1,308,449
Marketable securities	12	7,106,178	6,205,668
Pledged assets	13	3,898,350	5,102,514
Receivables	14	420,045	411,687
Loans receivable		117,543	174,544
Due from related parties	16	1,299	7,845
Property, plant and equipment	17	172,910	168,568
Intangible assets	18	69,093	50,425
Investment	19	2	2
Investment in subsidiary		85,700	85,700
Total assets		13,130,877	13,637,052
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Bank overdraft	10	17,501	1,642
Securities sold under repurchase agreements		11,694,801	11,341,845
Payables	21	53,990	80,581
Due to related parties	16	-	582
Redeemable preference shares	22	-	299,970
Convertible preference shares	22	-	3,460
Taxation		-	82,132
Deferred tax liabilities	20	26,923	171,852
Total liabilities		11,793,215	11,982,064
Shareholders' Equity			
Share capital	22	754,994	765,154
Treasury shares	22	(9,500)	(9,500)
Capital reserve	23	90,361	90,361
Fair value reserve	24	(136,191)	165,157
Capital redemption reserve	25	313,590	-
Retained earnings		324,408	643,816
Total shareholders' equity		1,337,662	1,654,988
Total liabilities and shareholders' equity		13,130,877	13,637,052

Approved for issue by the Board of Directors on 30 November 2013 and signed on its behalf by:

Rita Humphries- Lewin Director

Carl Domville Director

Barita Investments Limited

Company Statement of Changes in Shareholders' Equity

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Treasury Shares	Capital Reserve	Fair Value Reserve	Capital Redemption Reserve Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2011	765,154	(9,500)	90,361	431,719	-	449,086	1,726,820
Total Comprehensive income							
Profit for the year	-	-	-	-	-	234,859	234,859
Other comprehensive income	-	-	-	(266,562)	-	-	(266,562)
	-	-	-	(266,562)	-	234,859	(31,703)
Transactions with owners:							
Dividends paid	-	-	-	-	-	(40,129)	(40,129)
	-	-	-	-	-	(40,129)	(40,129)
Balance at 30 September 2012	765,154	(9,500)	90,361	165,157	-	643,816	1,654,988
Total comprehensive income							
Profit for the year	-	-	-	-	-	45,012	45,012
Other comprehensive income	-	-	-	(301,348)	-	-	(301,348)
	-	-	-	(301,348)	-	45,012	(256,336)
Transactions with owners:							
Redemption of preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	313,590	(313,590)	-
Balance at 30 September 2013	754,994	(9,500)	90,361	(136,191)	313,590	324,408	1,337,662

Barita Investments Limited

Company Statement of Cash Flows

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2013 $'000	2012 $'000
Cash Flows from Operating Activities			
Net profit		45,012	234,859
Adjusted for:			
Depreciation and amortisation		14,747	14,122
Effect of exchange gain on foreign balances		(130,352)	(25,757)
Impairment of available-for-sale investments		7,328	4,071
Interest income		(1,016,846)	(1,131,258)
Interest expense		584,973	679,630
Income tax expense	8	(7,449)	87,860
Profit on sale of property, plant and equipment		(2,006)	-
		(504,593)	(136,473)
Changes in operating assets and liabilities:			
Marketable securities, net		503,268	837,754
Securities purchased under resale agreements, net		205,509	165,949
Securities sold under repurchase agreements, net		(133,644)	(1,111,942)
Receivables		(8,358)	24,648
Loans receivable, net		57,001	(18,166)
Payables		(26,588)	5,464
Due from related companies		5,964	(767)
		98,559	(233,533)
Interest received		925,448	1,139,696
Interest paid		(588,873)	(667,181)
Taxation paid		(70,864)	(127,199)
Cash provided by operating activities		364,270	111,783
Cash Flows from Investing Activities			
Proceeds from the disposal of property, plant and equipment		2,006	-
Purchase of property, plant and equipment	17	(17,031)	(14,689)
Purchase of intangible asset		(20,725)	(16,936)
Cash used in investing activities		(35,750)	(31,625)
Cash Flows from Financing Activities			
Redemption of preference shares		(313,590)	
Interest paid on preference shares		(12,064)	(25,229)
Dividends paid		(50,830)	(40,129)
Cash used in financing activities		(376,484)	(65,358)
Effect of exchange rate on cash and cash equivalents		841	2,153
(Decrease)/increase in net cash and cash equivalents		(47,123)	16,953
Net cash and cash equivalents at beginning of year		120,008	103,055
Net Cash and Cash Equivalents at End of Year	10	72,885	120,008

1. Identification, Regulation and Licence

Barita Investments Limited (Barita, the company) is a limited liability company incorporated and resident in Jamaica, with its registered office at 15 St. Lucia Way, Kingston 5.

The company is a licensed securities dealer and has primary dealer status from the Bank of Jamaica (BoJ). It is licensed under the Securities Act and is regulated by the Financial Services Commission (FSC).

The company's ordinary and preference shares are listed on the Jamaica Stock Exchange (JSE). During the prior year, and for a portion of the current year, the company had preference shares which were also listed on the JSE. These were redeemed on 14 December 2012.

The principal activities of the company and its wholly owned subsidiary, Barita Unit Trusts Management Company Limited (collectively referred to as "the Group") are stocks and securities brokerage, money market activities, cambio operations, and funds management.

2. Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities, and certain items of property, plant and equipment.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

Interpretations and amendments to published accounting standards effective in the current financial year

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

Amendment to IAS 1, 'Presentation of Financial Statements', regarding other comprehensive income, effective 1 July 2012. The main change resulting from this amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment does not address which items are presented in OCI. The Group has implemented the amendment and has adjusted the statement of comprehensive income for the current and prior years.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards that are not effective in the current financial year (continued)
The Group has assessed the relevance of all other new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **IFRS 9, 'Financial instruments'. (effective for annual periods beginning on or after 1 January 2015).** The standard addresses the principles for the financial reporting of financial assets and financial liabilities to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The standard will eventually replace IAS 39 - Financial Instruments: Recognition and Measurement.

  The standard is mandatory for accounting periods beginning on or after 1 January 2015, however earlier adoption is permitted. Management is assessing the impact of adoption of the standard on the Group.

- **IFRS 10, Consolidated Financial Statements** (effective for annual periods beginning on or after 1 January 2013). This standard replaces IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation-Special Purpose Entities. The standard requires an entity that is a parent to present consolidated financial statements. A limited exemption is available to some entities. The standard addresses certain instances of divergence in practice in applying IAS 27 and SIC-12, for example, entities varied in their application of the control concept in circumstances in which a reporting entity controls another entity but holds less than a majority of the voting rights of the entity, and in circumstances involving agency relationships. In addition, a perceived conflict of emphasis between IAS 27 and SIC-12 had led to inconsistent application of the concept of control. IAS 27 required the consolidation of entities that are controlled by a reporting entity, and it defined control as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. SIC-12, which interpreted the requirements of IAS 27 in the context of special purpose entities, placed greater emphasis on risks and rewards. The Group will apply the standard from 1 October 2013 but it is not expected to have any impact on the Group's financial statements.

- **IFRS 11, Joint Arrangements (effective for annual periods beginning 1 January 2013)** IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group will apply from 1 October 2013, but it is not expected to have any significant impact on the Group's financial statements.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards that are not effective in the current financial year (continued)

- **IFRS 12, Disclosure of Interests in Other Entities** (effective for annual periods beginning on or after 1 January 2013). This standard applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The Group will apply the standard from 1 October 2013 and it is not expected to have any significant impact on current disclosures.

- **IFRS 13, Fair Value Measurement** (effective for annual periods beginning on or after 1 January 2013). The standard explains how to measure fair value for financial reporting. It defines fair value; sets out in a single IFRS a framework for measuring fair value; and requires disclosures about fair value measurements. This standard applies to those standards that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. The Group will apply the standard from 1 October 2013 and it will result in expanded disclosure in the financial statements.

(b) Basis of consolidation

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated.

(i) Acquisitions from third parties

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree's either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

(ii) Acquisitions involving entities under common control

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

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Acquisitions involving entities under common control (continued)

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

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

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the company are measured using Jamaican dollars, which is the currency of the primary economic environment in which the company operates. The financial statements for the group and the company are presented in Jamaican dollars, which is also the company's functional currency.

Translations 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 for the year.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed 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 the profit or loss for the year, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve through other comprehensive income.

Barita Investments Limited
Notes to the Financial Statements
30 September 2013
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(e) Financial instruments
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets
The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at cost, which is the cash given to originate the debt including any transaction costs and subsequently measured at amortised cost using the effective interest method. Loans and receivables on the statement of financial position include cash and bank balances, securities purchased under resale agreements, receivables, loans receivable, due from related companies and marketable securities.

Financial assets classified as loans and receivables either meet the definition of loans and receivables at the date of acquisition, or at the date of reclassification from another category (fair value through profit or loss or available-for-sale), under the provisions of IAS 39 (Amendment). Financial assets which have been reclassified to this category, meet the definition of loans and receivables as a result of the market for these securities having become inactive.

The Group has elected to reclassify all financial assets reclassified to loans and receivables, to available-for-sale, once the markets for these securities become active again.

Available-for-sale
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are initially recognised at cost, which is the cash given to originate the security, inclusive of any transaction costs, and are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in other comprehensive income. Purchases and sales of investments are recognised on the settlement date – the date on which an asset is delivered to or by the Group.

Financial assets are assessed periodically for objective evidence of impairment. A financial asset is considered impaired if its carrying amount exceeds its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The recoverable amount for debt instruments carried at fair value is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset. If in a subsequent period, the impairment loss for debt securities carried at amortised cost or fair value decreases and that decrease can be related objectively to an event occurring after the impairment, the reversal of the impairment is recorded in the profit or loss for the year.

2. Significant Accounting Policies (Continued)

(e) Financial instruments (continued)

Financial assets (continued)

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value below cost is considered an indicator of impairment. Significant or prolonged are assessed based on market conditions and other indicators. If any such evidence exists for equity instruments, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment losses previously recognised in the profit or loss, is removed from equity and recognised in the profit or loss. Impairment losses recognised on the equity instruments are not reversed through the profit or loss for the year.

Financial liabilities

The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. Financial liabilities include bank overdraft, securities sold under repurchase agreements, payables, due to related parties, redeemable preference shares and convertible preference shares.

(f) Interest income and expense

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

(g) Fees and commission income

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

(h) Dividend income

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

(i) Gain or loss on sale of investment

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

When available-for-sale securities are disposed of, the related accumulated unrealised gains or losses included in shareholders' equity are recognised in profit or loss for the year.

(j) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred income taxes.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible.

2. Significant Accounting Policies (Continued)

(j) Income taxes (continued)

Deferred income tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

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

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

(k) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at market valuation based on triennial valuations by external independent valuers, less subsequent depreciation of buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on the straight-line basis at annual rates to write off the carrying value of each asset over the period of its useful life. Land is not depreciated. The expected useful lives of the other property, plant and equipment are as follows:

Buildings	40 years
Office furniture, machines and equipment	10 years
Computer equipment	3 years
Motor vehicles	5 years

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Revaluation gains on land and buildings are recorded net of tax in other comprehensive income. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net operating revenue.

Repairs and maintenance expenses are charged to profit or loss when the expenditure is incurred.

(l) Receivables

Receivables are carried at anticipated realisable value less provision for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowings.

2. Significant Accounting Policies (Continued)

(m) Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the repurchase agreements using the effective yield method.

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

(n) Payables

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

(o) Fiduciary activities

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

(p) Employee benefits

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

(q) Intangible assets

Separately acquired intangible assets are assessed annually for indicators of impairment and are carried at cost less any accumulated amortisation and impairment. The cost of separately acquired intangible assets comprises its purchase price, any directly attributable cost of preparing the asset for its intended use and professional fees directly attributed to acquiring the asset. Amortisation is calculated using the straight line method to allocate the cost of the assets over their estimated useful lives of three years.

(r) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and comprise balances which mature within 90 days of the date of acquisition, including cash, short term investments and bank overdrafts.

(s) Related party balances and transactions

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

(i) Enterprises and individuals owning directly or indirectly an interest in the voting power of the Group, significant influence over the Group's affairs and close members of the family of these individuals.

(ii) Key management personnel, that is those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers and close members of the families of these individuals.

3. Financial Risk Management

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

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

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

(i) Asset and Liability Management Committee
This committee is responsible for monitoring the profile of the Group's assets and liabilities. This includes monitoring policies and procedures that are established to ensure that there is sufficient liquidity and that interest rate risk, currency risk and capital adequacy is also monitored.

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

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

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

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

3. Financial Risk Management (Continued)

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is a significant risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to any one borrower.

Credit review process

The Group has established a process involving regular analysis of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Loans
In addition to assessments of earnings and cash flows, management assesses the existence of free and clear assets which are to be used as collateral in the event of default. Loans receivable are due within one year.

(ii) Investments and cash
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and Government of Jamaica and Bank of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Collateral and other credit enhancements

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

The main types of collateral obtained are as follows:

(i) For loans receivable - charges over financial instruments such as debt securities and equities, and hypothecation of securities sold under repurchase agreements.

(ii) For securities sold under repurchase agreements – cash or securities.

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

Impairment

The main considerations for the impairment assessment for financial assets include the following:
(i) Whether any payments of principal or interest are overdue by more than 90 days;
(ii) Whether there are any known difficulties in the cash flows of counterparties or infringement of the original terms of the contract; and
(iii) Whether there is any significant or prolonged decline in the market value below cost.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment (continued)
Based on the foregoing considerations, financial assets that are individually impaired are as follows:

	The Group and Company	
	2013	**2012**
	$'000	**$'000**
Investment securities (quoted equities)	7,328	4,071

Debt securities

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

	The Group		The Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica and Bank of Jamaica	10,101,904	10,565,213	10,048,449	10,537,205
Financial institutions	1,074,866	1,371,467	1,074,866	1,371,467
Corporate	526,511	329,987	526,511	329,987
	11,703,281	12,266,667	11,649,826	12,238,659
Accrued interest	272,829	185,392	271,796	184,522
	11,976,110	12,266,667	11,921,622	12,423,181

3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

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

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required.

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

(iii) Maintaining committed lines of credit.

(iv) Optimising cash returns on investments.

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

(vi) Managing the concentration and profile of debt maturities.

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

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

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

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows

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

	The Group						
	2013						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	17,501						17,501
Securities sold under repurchase agreements	7,221,677	3,122,765	2,041,338	-	4,001	-	12,389,782
Payables	58,928	-	-	-	-	-	58,928
Total financial liabilities (based on contractual maturity)	7,298,106	3,122,765	2,041,338	-	4,001	-	12,466,211
Total financial liabilities (based on expected maturity)	785,551	1,768,186	2,336,003	8,702,736	4,001	17,501	13,613,979
Total financial assets (based on expected maturity)	1,336,906	2,338,604	2,806,325	2,385,604	14,813,207	301,457	23,982,104

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Group						
	2012						
	Within 1 Month $'000	**Within 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**No specific maturity $'000**	**Total $'000**
Financial Liabilities							
Bank overdraft	2,851	-	-	-	-	-	2,851
Securities sold under repurchase agreements	6,162,502	3,497,055	1,685,235	6,517	13,856	-	11,365,165
Payables	80,726	-	-	-	-	-	80,726
Due to related parties	582	-	-	-	-	-	582
Redeemable preference shares	-	218,549	-	-	-	-	218,549
Total financial liabilities (based on contractual maturity)	6,246,661	3,715,604	1,685,235	6,517	13,856	-	11,667,873
Total financial liabilities (based on expected maturity)	863,695	1,938,889	2,555,056	9,366,089	17,523	-	14,741,252
Total financial assets (based on expected maturity)	1,513,159	2,073,575	1,667,156	1,391,719	7,325,281	229,345	14,210,236

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company						
	2013						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,221,677	3,122,765	2,041,338	-	4,001	-	12,389,782
Payables	50,075	-	-	-	-	-	50,075
Total financial liabilities (based on contractual maturity)	7,289,253	3,122,765	2,041,338	-	4,001	-	12,457,358
Total financial liabilities (based on expected maturity)	776,109	1,768,186	2,336,003	8,702,736	4,001	17,501	13,604,537
Total financial assets (based on expected maturity)	1,319,456	2,338,604	2,806,325	2,338,604	14,733,207	252,277	23,640,079

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company						
	2012						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	1,642	-	-	-	-	-	1,642
Securities sold under repurchase agreements	6,216,824	3,497,055	1,685,235	6,517	13,856	-	11,419,487
Payables	64,271	-	-	-	-	-	64,271
Due to related parties	582	-	-	-	-	-	582
Redeemable preference shares	-	312,012	-	-	-	-	312,012
Total financial liabilities (based on contractual maturity)	6,283,319	3,809,067	1,685,235	6,517	13,856	-	11,797,994
Total financial liabilities (based on expected maturity)	846,031	1,938,889	2,555,056	9,366,089	17,523	-	14,723,588
Total financial assets (based on expected maturity)	1,436,583	2,073,575	1,658,860	1,382,383	7,326,631	193,450	14,071,482

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

The carrying amount for securities sold under repurchase agreement due within twelve months equals $11,643,482,000 (2012 - $11,287,523,000) for the Group and $11,694,801,000 (2012 -$11,341,845,000) for the company.

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3. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk Manager in conjunction with the Treasury Manager, who carries out extensive research and monitors the price movement of financial assets on the local and international markets. Generally, the Group has a low to medium risk profile and invests primarily in Government of Jamaica securities. Market risk exposures are measured using sensitivity analysis.

(i) Currency risk

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

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

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

	The Group				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2013		
Financial Assets					
Cash and bank balances	-	2,758	9,180	80,207	92,145
Securities purchased under resale agreements	-	856,160	43,690	269,521	1,169,371
Marketable securities and pledged assets	202,230	4,031,964	-	6,874,002	11,108,196
Receivables	-	-	-	32,648	32,648
Loans receivable	-	-	-	117,543	117,543
Due from related parties	-	-	-	6,907	6,907
Total financial assets	202,230	4,890,882	52,870	7,380,828	12,526,810
Financial Liabilities					
Bank overdraft	-	-	-	17,501	17,501
Securities sold under repurchase agreements	-	4,175,757	156,225	7,311,500	11,643,482
Payables	-	-	-	58,928	58,928
Total financial liabilities	-	4,175,757	156,225	7,387,929	11,719,911
Net financial position	202,230	715,125	(103,355)	(7,101)	806,899

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

	The Group				
	Euro	**US$**	**GBP**	**Jamaican$**	**Total**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**
			2012		
Financial Assets					
Cash and bank balances	2,934	84,494	52	34,664	122,144
Securities purchased under resale agreements	-	162,227	42,397	1,103,825	1,308,449
Marketable securities and pledged assets	191,453	3,396,329	-	7,785,173	11,372,955
Receivables	-	-	-	45,174	45,174
Loans receivable	-	-	-	106,505	106,505
Due from related parties	-	-	-	13,751	13,751
Total financial assets	194,387	3,643,050	42,449	9,089,092	12,968,978
Financial Liabilities					
Bank overdraft	-	-	-	2,851	2,851
Securities sold under repurchase agreements	-	2,803,491	133,459	8,350,573	11,287,523
Payables	-	-	-	80,726	80,726
Due to related parties	-	-	-	582	582
Redeemable preference shares	-	-	-	206,507	206,507
Convertible preference shares	-	-	-	3,460	3,460
Total financial liabilities	-	2,803,491	133,459	8,644,699	11,581,649
Net financial position	194,387	839,559	(91,010)	444,393	1,387,329

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

	The Company				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2013		
Financial Assets					
Cash and bank balances	-	2,758	-	78,448	90,386
Securities purchased under resale agreements	-	856,160	43,690	269,521	1,169,371
Marketable securities and pledged assets	202,230	4,031,964	-	6,770,334	11,004,528
Receivables	-	-	-	29,553	29,553
Loans receivable	-	-	-	117,543	117,543
Due from related parties	-	-	-	1,299	1,299
Total financial assets	202,230	4,890,882	52,225	7,266,698	12,412,680
Financial Liabilities					
Bank overdraft	-	-	-	17,501	17,501
Securities sold under repurchase agreements	-	4,175,757	156,225	7,362,819	11,694,801
Payables	-	-	-	50,075	50,075
Total financial liabilities	-	4,175,757	156,225	7,430,395	11,762,377
Net financial position	202,230	715,125	(103,355)	(163,697)	650,303

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

	The Company				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2012		
Financial Assets					
Cash and bank balances	2,934	84,494	52	34,170	121,650
Securities purchased under resale agreements	-	162,227	42,397	1,103,825	1,308,449
Marketable securities and pledged assets	191,453	3,396,329	-	7,720,400	11,308,182
Receivables	-	-	-	41,987	41,987
Loans receivable	-	-	-	174,544	174,544
Due from related parties	-	-	-	7,845	7,845
Total financial assets	194,387	3,643,050	42,449	9,082,771	12,962,657
Financial Liabilities					
Bank overdraft	-	-	-	1,642	1,642
Securities sold under repurchase agreements	-	2,803,491	133,459	8,404,895	11,341,845
Payables	-	-	-	64,271	64,271
Due to related parties	-	-	-	582	582
Redeemable preference shares	-	-	-	299,970	299,970
Convertible preference shares	-	-	-	3,460	3,460
Total financial liabilities	-	2,803,491	133,459	8,774,820	11,711,770
Net financial position	194,387	839,559	(91,010)	307,951	1,250,887

Barita Investments Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rate below represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% devaluation and a 1% revaluation in the value of the Jamaican dollar (JMD) (2012 - 1% devaluation and 1% revaluation). The sensitivity analysis includes cash and bank balances, securities purchased under resale agreements, marketable securities and securities sold under repurchase agreements.

The Group and Company

	% Change in Currency Rate 2013	Effect on Profit before Tax 2013 $'000	Effect on other components of Equity 2013 $'000	% Change in Currency Rate 2012	Effect on Profit before Tax 2012 $'000	Effect on other component of Equity 2012 $'000
Currency:						
EURO (devaluation of JMD)	10	20,223	-	1	1,944	-
EURO (revaluation of JMD)	-1	(2,022)	-	1	(1,944)	-
USD (devaluation of JMD)	10	71,512	-	1	8,396	-
USD (revaluation of JMD)	-1	(7,151)	-	1	(8,396)	-
GBP (devaluation of JMD)	10	10,335	-	1	(910)	-
GBP (revaluation of JMD)	-1	(1,033)	-	1	910	-

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

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

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

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

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

	The Group						
	2013						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	92,145	-	-	-	-	-	92,145
Securities purchased under resale agreements	973,513	116,096	79,765	-	-	-	1,169,371
Marketable securities and pledged assets	273,476	108,543	147,593	1,600,864	8,676,263	301,457	11,108,196
Receivables	-	-	-	-	-	32,648	32,648
Loans receivable	117,543	-	-	-	-	-	117,543
Due from related parties	-	-	-	-	-	6,907	6,907
Total financial assets	1,456,677	224,636	227,358	1,600,864	8,676,263	341,012	12,526,810
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,031,658	2,915,368	1,696,456	-	-	-	11,643,482
Payables	-	-	-	-	-	58,928	58,928
Total financial liabilities	7,049,159	2,915,368	1,696,456	-	-	58,928	11,719,911
Total interest repricing gap	(5,592,482)	(2,690,732)	(1,469,098)	1,600,864	8,676,263	282,084	806,899
Cumulative gap	(5,592,482)	(8,283,214)	(9,752,312)	(8,151,448)	524,815	806,899	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	2012						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	122,144	-	-	-	-	-	122,144
Securities purchased under resale agreements	1,051,488	251,032	5,929	-	-	-	1,308,449
Marketable securities and pledged assets	315,258	2,065,017	705,042	2,609,608	5,448,685	229,345	11,372,955
Receivables	-	-	-	-	-	45,174	45,174
Loans receivable	106,150	355	-	-	-	-	106,505
Due from related parties	-	-	-	-	-	13,751	13,751
Total financial assets	1,595,040	2,316,404	710,971	2,609,608	5,448,685	288,270	12,968,978
Financial Liabilities							
Bank overdraft	2,851	-	-	-	-	-	2,851
Securities sold under repurchase agreements	6,193,783	3,448,260	1,629,795	6,294	9,391	-	11,287,523
Payables	-	-	-	-	-	80,726	80,726
Due to related parties	-	-	-	-	-	582	582
Redeemable preference shares	-	206,507	-	-	-	-	206,507
Convertible preference shares	-	3,460	-	-	-	-	3,460
Total financial liabilities	6,196,634	3,658,227	1,629,795	6,294	9,391	81,308	11,581,649
Total interest repricing gap	(4,601,594)	(1,341,823)	(918,824)	2,603,314	5,439,294	206,962	1,387,329
Cumulative gap	(4,601,594)	(5,943,417)	(6,862,241)	(4,258,927)	1,180,367	1,387,329	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	2013						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	90,386	-	-	-	-	-	90,386
Securities purchased under resale agreements	973,513	116,096	79,765	-	-	-	1,169,371
Marketable securities and pledged assets	273,476	108,543	147,593	1,553,864	8,668,775	252,277	11,004,528
Receivables	-	-	-	-	-	29,553	29,553
Loans receivable	117,543	-	-	-	-	-	117,543
Due from related parties	-	-	-	-	-	1,299	1,299
Total financial assets	1,454,918	224,636	227,358	1,553,864	8,668,775	283,129	12,412,680
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,031,658	2,915,368	1,747,775	-	-	-	11,694,801
Payables	-	-	-	-	-	50,075	50,075
Total financial liabilities	7,049,159	2,915,368	1,747,775	-	-	50,075	11,762,377
Total interest repricing gap	(5,594,241)	(2,690,732)	(1,520,417)	1,553,864	8,668,775	233,054	650,303
Cumulative gap	(5,594,241)	(8,284,973)	(9,805,390)	(8,251,526)	417,249	650,303	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	2012						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	121,650	-	-	-	-	-	121,650
Securities purchased under resale agreements	1,051,488	251,032	5,929	-	-	-	1,308,449
Marketable securities and pledged assets	312,661	2,060,711	696,746	2,603,272	5,441,342	193,450	11,308,182
Receivables	-	-	-	-	-	41,987	41,987
Loans receivable	174,189	355	-	-	-	-	174,544
Due from related parties	-	-	-	-	-	7,845	7,845
Total financial assets	1,659,988	2,312,098	702,675	2,603,272	5,441,342	243,282	12,962,657
Financial Liabilities							
Bank overdraft	1,642	-	-	-	-	-	1,642
Securities sold under repurchase agreements	6,248,105	3,448,260	1,629,795	6,294	9,391	-	11,341,845
Payables	-	-	-	-	-	64,271	64,271
Due to related parties	-	-	-	-	-	582	582
Redeemable preference	-	299,970	-	-	-	-	299,970
Convertible preference shares	-	3,460	-	-	-	-	3,460
Total financial liabilities	6,249,747	3,751,690	1,629,795	6,294	9,391	64,853	11,711,770
Total interest repricing gap	(4,589,759)	(1,439,592)	(927,120)	2,596,978	5,431,951	178,429	1,250,887
Cumulative gap	(4,589,759)	(6,029,351)	(6,956,471)	(4,359,493)	1,072,458	1,250,887	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2013					
	Immediately rate sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities denominated in Ja$	6.90	3.44	5.55	4.43	7.61	7.08
Marketable securities denominated in US$	-	-	6.13	9.86	8.31	8.39
Marketable securities denominated in EURO	-	-	-	10.50	-	10.50
Securities purchased under resale agreements-denominated in Ja$	6.21	6.50	-	-	-	6.22
Securities purchased under resale agreements-denominated in US$	3.42	3.50	3.60	-	-	3.44
Securities purchased under resale agreements-denominated in GBP	1.59	-	-	-	-	1.59
Bank overdraft	17.85	-	-	-	-	17.85
Securities sold under repurchase agreements- denominated in Ja$	6.53	5.91	5.04	-	-	6.21
Securities sold under repurchase agreements- denominated in US$	2.97	2.97	3.28	-	-	3.03
Securities sold under repurchase agreements- denominated in GBP	1.89	2.19	2.18	-	-	2.13

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(ii) Interest rate risk (continued)

Average effective yields by the earlier of the contractual repricing or maturity dates:

	The Group and Company					
	2012					
	Immediately rate sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities denominated in Ja$	11.26	14.00	10.24	9.40	12.29	10.50
Marketable securities denominated in US$	-	-	6.75	8.40	9.08	8.64
Marketable securities denominated in EURO	-	-	-	8.00	-	8.00
Securities purchased under resale agreements-denominated in Ja$	6.13	6.81	6.81	-	-	6.24
Securities purchased under resale agreements-denominated in US$	3.70	3.87	-	-	-	3.76
Securities purchased under resale agreements-denominated in GBP	3.00	-	2.65	-	-	2.95
Bank overdraft	17.85	-	-	-	-	17.85
Securities sold under repurchase agreements- denominated in Ja$	5.95	5.96	5.69	-	-	5.92
Securities sold under repurchase agreements- denominated in US$	3.46	3.66	3.69	7.00	-	3.58
Securities sold under repurchase agreements- denominated in GBP	2.75	2.34	2.39	-	-	2.62
Redeemable preference shares	-	12.49	-	-	-	12.49
Convertible preference shares	-	9.87	-	-	-	9.87

Yields are based on book value and contractual interest rate adjusted for amortisation of premium and discounts.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's and company's profit or loss and shareholders' equity.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on profit before taxation based on the floating rate non-trading financial assets and financial liabilities. The sensitivity of shareholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The change in the interest rates will impact the financial assets and liabilities differently. Consequently, individual analyses were performed. The effect on profit before taxation and other components of equity below is the total of the individual sensitivities done for each of the assets and liabilities.

	Effect on Profit before Taxation	Effect on Other Components of Equity	Effect on Profit before Taxation	Effect on Other Components of Equity
	2013	2013	2012	2012
	$'000	$'000	$'000	$'000
	The Group			
Change in basis points:				
-100(2012 : -100)	(11,941)	513,399	(35,357)	437,292
+400(2012 : +100)	47,766	(1,629,245)	35,357	(398,829)
	The Company			
Change in basis points:				
-100 (2012: -100)	(11,599)	512,534	(35,314)	437,292
+400 (2012: +100)	46,394	(1,626,314)	35,314	(398,829)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group and the company are exposed to equity securities price risk because of certain equity and unit trust investments which they hold.

The table below summarises the impact of increases/decreases on the Group's and company's net other comprehensive income (before taxation) resulting from a reasonably possible change in market prices. There would be no impact on profit before taxation as the equities are classified as available-for-sale. The analysis is based on the assumption that the equity and unit trust prices had increased/decreased by 5% (2012 – 5%).

	Effect on Equity 2013 $'000	Effect on Equity 2012 $'000
	The Group	
Change in index:		
+5% (2012: + 5%)	15,073	11,467
-5% (2012: – 5%)	(15,073)	(11,467)
	The Company	
Change in index:		
+5% (2012: + 5%)	12,613	9,673
-5 %(2012: – 5%)	(12,613)	(9,673)

(d) Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of statements of financial position, are:

(i) To comply with the capital requirements set by the regulators of the banking markets where the Group operates.

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

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

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

3. Financial Risk Management (Continued)

(d) Capital management (continued)

The company and its subsidiary, BUTM, are both regulated by the FSC.

The FSC requires each bank or banking group to:

(i) Hold the minimum level of the tier 1 capital as a percentage of total capital base.

(ii) Maintain a ratio of total regulatory capital to the risk-weighted assets.

The Group's regulatory capital is managed by its Treasury Department and Risk Manager and is divided into two tiers:

(i) Tier 1 capital: share capital, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill, if any, is deducted in arriving at Tier 1 capital; and

(ii) Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealised gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

As at 30 September 2013 and 30 September 2012, the Group complied with all of the externally imposed capital requirements to which they are subject.

3. Financial Risk Management (Continued)

(e) Fair values of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at year end. The quoted market price used for financial assets held by the Group is the current bid price.

The financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

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

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

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

The following table presents the Group's and company's financial assets that are measured at fair value. There are no liabilities that are measured at fair value at the year end, and the Group had no instruments classified in Level 3 during the year. There were no transfers between levels during the year.

	The Group		
	2013		
	Level 1	Level 2	Total
At 30 September 2013	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets -			
Equity securities	294,629	6,828	301,457
Debt securities	-	10,755,382	10,755,382
	294,629	10,762,210	11,056,839
	2012		
	Level 1	Level 2	Total
At 30 September 2012	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets -			
Equity securities	222,698	6,647	229,345
Debt securities	-	11,117,909	11,117,909
	222,698	11,124,556	11,347,254

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3. Financial Risk Management (Continued)

(e) Fair values of financial instruments (continued)

	The Company		
	2013		
At 30 September 2013	**Level 1 $'000**	**Level 2 $'000**	**Total $000**
Available-for-sale financial assets -			
Equity securities	252,277	-	252,277
Debt securities	-	10,700,894	10,700,894
	252,277	10,700,894	10,953,171

	2012		
At 30 September 2012	**Level 1 $'000**	**Level 2 $'000**	**Total $000**
Available-for-sale financial assets -			
Equity securities	193,450	-	193,450
Debt securities	-	11,089,031	11,089,031
	193,450	11,089,031	11,282,481

The fair value of financial instruments that are traded in an active market for which there are no quoted market prices, is determined by using valuation techniques. When using valuation techniques, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at year end. The following methods and assumptions have been used:

(i) Investments securities classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, then fair values estimated on the basis of pricing models or other recognised valuation techniques.

(ii) The fair value of liquid assets and other assets maturing within three months is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short term elements of all other financial instruments.

(iii) The fair value of variable rate financial instruments is assumed to approximate their carrying value.

(iv) The fair value of securities sold under agreements to repurchase is assumed to approximate to their carrying amounts, due to the short term maturity on these instruments. At 30 September 2012, the fair value of redeemable and convertible preference shares (classified as debt) was determined using the quoted bid price to be $223,795,000 for the Group and $318,817,000 for the company.

(v) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

(a) **Critical judgements in applying the Group's accounting policies**
In the process of applying the Group's accounting policies, management has not made any judgements that would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Taxes
Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Should the actual final outcome (on the judgemental areas) to differ by 10% from management's estimates, the Group would need to:

- Increase the income tax liability by $22,000 and the deferred tax liability by $2,713,000, if unfavourable; or
- Decrease the income tax liability by $22,000 and the deferred tax liability by $2,713,000, if favourable.

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5. Segment Reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group is organised and managed in business segments based on its business activities which are all located in Jamaica. The designated segments are as follows:

(a) Fixed income – this includes money market activities and securities broking

(b) Funds management – this includes the administration of two unit trust funds

(c) Other operations – this includes the operation of foreign exchange cambio, stock broking and any other income.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax. The segment information provided to the Board of Directors for the reportable segments for the year ended 30 September 2013 is as follows:

	The Group			
	30 September 2013			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	818,859	73,763	207,781	1,100,403
Inter-segment revenue	(1,887)	(3,528)	-	(5,415)
Total gross external revenue	816,972	70,235	207,781	1,094,988
Total expenses	(584,973)	(40,826)	-	(625,799)
Inter-segment expense	3,528	1,887	-	5,415
	(581,445)	(38,939)	-	(620,384)
Segment results	235,527	31,296	207,781	474,604
Unallocated expenses				(404,104)
Profit before tax				70,500
Taxation				(222)
Net profit				70,278
Segment assets	12,291,441	177,982		12,469,423
Inter-segment assets	(340)	(51,963)		(52,303)
Net segment assets	12,291,101	126,019		12,417,120
Unallocated assets				753,735
Total assets				13,170,855
Segment liabilities	11,694,800	25,542		11,720,342
Inter-segment liabilities	(51,318)	(340)		(51,658)
Net segment liabilities	11,643,482	25,202		11,668,684
Unallocated liabilities				98,415
Total liabilities				11,767,099

5. Segment Reporting (Continued)

	The Group			
	30 September 2012			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	1,318,519	76,701	103,356	1,498,576
Inter-segment revenue	(7,308)	(7,923)	-	(15,231)
Total gross external revenue	1,311,211	68,778	103,356	1,483,345
Total expenses	(679,630)	(51,813)	-	(731,443)
Inter-segment expense	7,923	7,308	-	15,231
	(671,707)	(44,505)	-	(716,212)
Segment results	639,504	24,273	103,356	767,133
Unallocated expenses				(419,526)
Profit before tax				347,607
Taxation				(92,644)
Net profit				254,963
Segment assets	12,791,175	229,557	-	13,020,732
Inter-segment assets	(68,269)	(149,988)	-	(218,257)
Net segment assets	12,722,906	79,569	-	12,802,475
Unallocated assets				760,177
Total assets				13,562,652
Segment liabilities	11,645,275	95,269	-	11,740,544
Inter-segment liabilities	(147,785)	(68,269)	-	(216,054)
Net segment liabilities	11,497,490	27,000	-	11,524,490
Unallocated liabilities				336,789
Total liabilities				11,861,279

Revenue between segments is recorded on the basis outlined in Note 2 (f). The accounting policies used to record income, assets and liabilities is consistent for all segments. There was no change in the method used to determine reportable segments when compared to the previous year.

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5. Segment Reporting (Continued)

Profit from the reportable segments is reconciled to the Group's profit before taxation as follows:

	The Group	
	2013 **$'000**	**2012** **$'000**
Profit from reportable segments	474,604	767,133
Unallocated costs -		
Operating expenses	(404,104)	(419,526)
	70,500	347,607

Reportable segments' assets are reconciled to the Group's total assets as follows:

	The Group	
	2013 **$'000**	**2012** **$'000**
Segment assets from reportable segments	12,417,120	12,802,475
Unallocated assets -		
Cash and bank balances	90,386	121,650
Receivables	420,045	411,687
Due from related parties	1,299	7,845
Property, plant and equipment	172,910	168,568
Intangible assets	69,093	50,425
Investments	2	2
	13,170,855	13,562,652

Reportable segments' liabilities are reconciled to the Group's total liabilities as follows:

	The Group	
	2013 **$'000**	**2012** **$'000**
Segment liabilities from reportable segments	11,668,684	11,524,490
Unallocated liabilities -		
Bank overdraft	17,501	1,642
Payables	53,991	80,581
Due to related parties	-	582
Taxation	-	82,132
Deferred tax liabilities	26,923	171,852
	11,767,099	11,861,279

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6. Expense by Nature

	The Group		The Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Advertising and promotion	26,455	38,438	22,695	34,365
Asset tax	21,524	16,310	21,524	16,310
Auditors' remuneration -				
Current	7,684	7,145	6,110	5,680
Prior		(393)	-	(393)
Bank charges and interest	7,203	7,115	7,203	7,115
Depreciation and amortisation	15,967	15,114	14,747	14,122
Directors' fees	1,780	438	1,780	438
Donations	18,041	2,854	18,041	2,854
Impairment of available-for-sale investments	7,328	4,071	7,328	4,071
Insurance	7,603	8,888	7,563	8,408
Fund expenses	2,667	1,964	-	-
Office expenses	9,164	9,939	7,084	8,786
Professional fees	8,581	13,378	8,191	13,322
Registration and license fees	4,599	5,607	4,599	5,607
Rent	3,162	1,468	1,380	1,468
Repairs and maintenance	12,407	3,873	11,983	3,760
Security costs	7,629	5,479	6,338	5,479
Software maintenance	5,688	4,853	5,688	4,853
Staff costs (Note 7)	216,652	250,940	195,797	224,684
Utilities	23,542	21,670	23,542	19,667
Other expenses	34,524	42,222	32,511	38,930
	442,200	461,373	404,104	419,526

7. Staff Costs

	The Group		The Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Wages and salaries	156,165	181,448	138,586	158,309
Commissions	15,532	25,758	15,532	25,758
Statutory contributions	19,177	18,485	17,899	17,269
Pension costs	10,047	9,416	9,564	8,918
Other staff benefits	15,731	15,833	14,216	14,430
	216,652	250,940	195,797	224,684

Barita Investments Limited

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8. Taxation Expense

(a) Income tax is computed on the profit for the year, as adjusted for taxation purposes, and comprises income tax at 33 ⅓%:

	The Group		The Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Current year tax charge	7,793	116,893	-	111,850
Prior year over provision	(11,269)	(11,720)	(11,269)	(11,720)
Deferred income tax (Note 20)	3,698	(12,529)	3,820	(12,270)
	222	92,644	(7,449)	87,860

(b) Reconciliation of applicable tax expense to effective tax charge.

The Group's and company's taxation expense differs from the theoretical amount that would arise from the profit before tax using the applicable tax rate of the Group and the company as follows:

	The Group		The Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	70,500	347,607	37,563	322,719
Tax calculated at 33 ⅓%	23,500	115,869	12,521	107,573
Adjusted for the effects of:				
Income not subject to tax	(28,755)	(18,904)	(28,755)	(18,203)
Expenses not allowable for tax purposes	17,721	14,778	17,721	14,675
Prior year over provision	(11,268)	(11,720)	(11,268)	(11,720)
Other charges and allowances	(976)	(7,379)	2,332	(4,465)
Income tax expense	222	92,644	(7,449)	87,860

There was no current tax charge for the year due to statutory losses incurred. Subject to agreement with the Taxpayer Audit and Assessment Department, tax losses amounting to $477,208,000 (2012 – $Nil) may be carried forward indefinitely to offset future taxable profits.

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8. Taxation Expense (Continued)

(c) The losses recorded in other comprehensive income and the related tax credits are as follows:

	The Group					
	2013 $'000			2012 $'000		
	Before tax	Taxation	After tax	Before tax	Taxation	After tax
Unrealised losses on available-for-sale investments	(263,183)	84,592	(178,591)	(324,388)	113,047	(211,341)
Net gains recycled to profit or loss on disposal, maturity and impairment of available-for-sale investments	(192,471)	64,157	(128,314)	(92,535)	30,845	(61,690)
	(455,654)	148,749	(306,905)	(416,923)	143,892	(273,031)

	The Company					
	2013 $'000			2012 $'000		
	Before tax	Taxation	After tax	Before tax	Taxation	After tax
Unrealised gains/ (losses) on available-for-sale investments	(258,913)	85,021	(173,892)	(320,273)	115,401	(204,872)
Net gains recycled to profit or loss on disposal, maturity and impairment of available-for-sale investments	(191,184)	63,728	(127,456)	(92,535)	30,845	(61,690)
	(450,097)	148,749	(301,348)	(412,808)	146,246	(266,562)

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9. Net Profit/Retained Earnings

The net profit and retained earnings of the Group are reflected in the accounts of the company and its subsidiary as follows:

	2013 $'000	2012 $'000
Net Profit		
Holding company	45,012	234,859
Subsidiary	25,266	20,104
	70,278	254,963

10. Cash and Cash Equivalents

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Cash in hand	114	114	114	114
Cash at bank	92,031	122,030	90,272	121,536
	92,145	122,144	90,386	121,650
Bank overdrafts	(17,501)	(2,851)	(17,501)	(1,642)
	74,644	119,293	72,885	120,008

Cash at bank comprises mainly amounts held in current accounts, which attract interest at 0.05% – 3.5%.

The Group's overdraft facilities of $30,000,000 (2012 - $30,000,000) with FirstCaribbean International Bank Limited are secured by Government of Jamaica Investment Note with a face value of $35,000,000 (2012 - $35,000,000). The weighted average effective interest rate on the overdraft facilities is 17.85% (2012 – 17.85%).

11. Securities Purchased under Resale Agreements

The Group and company have entered into repurchase agreements collaterised by Government of Jamaica (GOJ) securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. These agreements will mature within twelve months. Included in securities purchased under resale agreements is accrued interest for the Group and company of $2,320,000, respectively (2012 - $4,124,000).

All amounts are due within twelve months.

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12. Marketable Securities

	The Group		The Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale -				
Quoted equities	294,629	222,698	252,277	193,450
Government of Jamaica (GOJ) bonds	10,055,406	10,631,654	10,001,951	10,604,347
Corporate bonds	526,511	304,987	526,511	304,987
Unit Trust Funds	6,828	6,647	-	-
	10,883,374	11,165,986	10,780,739	11,102,784
Accrued interest	173,465	181,268	172,432	179,697
	11,056,839	11,347,254	10,953,171	11,282,481
Loans and receivables -				
Corporate bond	25,000	25,000	25,000	25,000
Government of Jamaica (GOJ) bonds	25,536	-	25,536	-
	50,536	25,000	50,536	25,000
Accrued interest	821	701	821	701
	51,357	25,701	51,357	25,701
	11,108,196	11,372,955	11,004,528	11,308,182
Less Pledged assets (Note 13)	(3,898,350)	(5,102,514)	(3,898,350)	(5,102,514)
	7,209,846	6,270,441	7,106,178	6,205,668

At 30 September 2013, the fair value of marketable securities disclosed as loans and receivable was $50,994,000 (2012 -$24,536,000). There is no active market for GOJ bonds classified as loans and receivable.

The current portion of marketable securities amounted to $1,423,187,000 (2012 - $793,506,000) for the Group and $1,423,187,000 (2012 - $785,467,000) for the company.

At 30 September, the Group and company held in trust marketable securities with face value of $2,309,488,000 (2012 - $1,663,684,000). These amounts were excluded from the statement of financial position as the Group did not have the legal right of ownership to these instruments.

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12. Marketable securities

National Debt Exchange

In February 2013, the Fund participated in the National Debt Exchange (NDX) transaction under which it exchanged its holdings of domestic debt instruments issued by the Government of Jamaica for new, longer-dated debt instruments with lower coupon interest rates.

The key features of the NDX are as follows:

- Jamaican-resident holders of certain domestic debt instruments (collectively referred to as the "Old Notes") were invited to exchange those Old Notes for new, longer-dated debt instruments (collectively referred to as the "New Notes"). Participation in the NDX was voluntary.
- The New Notes offered have a variety of payment terms, including but not limited to fixed and variable rates in J$, CPI-indexed in J$, and fixed rates in USD.
- Eligible investors had the option to choose New Notes based on the type and maturity of the Old Notes which are offered for exchange based on certain election options. The election options only allow investors to choose New Notes of longer tenor relative to Old Notes. Most New Notes have lower coupon interest rates than Old Notes.
- Introduction of new Fixed Rate Accreting Notes ("FRANs") which were issued with J$80 of principal value for every J$100 of principal value of Old Notes, whereby such principal will accrete to J$100 of principal value by the maturity date in 2028. The Group elected not to receive any FRANs.
- Eligible investors who made offers to the Government of Jamaica to exchange Old Notes received an equivalent principal value (par-for-par value) of New Notes and the payment in cash of accrued interest, net of applicable withholding taxes, on the Old Notes up to but excluding 22 February 2013 (the Settlement Date).

The table below details the Group's and company's participation in the NDX and the impact its participation had on the weighted average coupon and tenor to maturity in respect of those investments which were the subject of the exchange. The Group and the company incurred losses amounting to $306,338,000 respectively arising from participation in the debt exchange.

	Pre NDX	Post NDX
Jamaican dollar denominated instruments:		
Total face value exchanged J$5,920,000,000		
Weighted average coupon rate	10.98%	8.89%
Weighted average tenor to maturity	7 years	13 years
US dollar denominated instruments:		
Total face value exchanged US$5,200,000		
Weighted average coupon rate	6.97%	6.32%
Weighted average tenor to maturity	2 years	14 years

13. Pledged Assets

Assets of the Group are pledged as collateral under repurchase agreements with customers and financial institutions. The Group also has investment securities that are pledged as security in relation to overdraft and other facilities with the Bank of Jamaica (BOJ) and other financial institutions.

	The Group and Company			
	Asset		Related Liability	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Investment securities:				
Pledged with customers	3,868,811	5,066,132	3,696,997	4,724,286
Pledged with BOJ and other financial institutions	35,539	36,382	13,439	1,642
	3,898,350	5,102,514	3,710,436	4,725,928

14. Receivables

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Receivable from clients	12,891	27,265	12,428	27,265
Prepaid expenses	5,788	4,368	4,633	4,368
Withholding tax	366,692	369,212	360,859	365,332
Taxation recoverable	25,000	-	25,000	-
Other	19,757	17,909	17,125	14,722
	430,128	418,754	420,045	411,687

Receivables collectible within twelve months amounted to $32,648,000 (2012 - $45,174,000) for the Group and $29,553,000 (2012 - $41,987,000) for the company.

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15. Earnings per Share

(a) Basic
Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 22).

	2013 $'000	2012 $'000
Net profit attributable to ordinary shareholders	70,278	254,963
Weighted average number of ordinary shares in issue	443,416	443,416
Basic earnings per share	$0.16	$0.57

(b) Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company's convertible preference shares were redeemed for cash during the period. At 30 September 2012, the company's convertible preference shares were anti-dilutive.

16. Related Party Transactions and Balances

Related parties are identified below, as companies with which there are common directors and/or common shareholders, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers and close members of the families of these individuals.

(a) The following transactions were carried out with related parties during the year:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Barita Unit Trusts Management Company Limited -				
Interest paid on investments	-	-	(2,099)	(7,923)
Rental income received	-	-	587	404
Interest received on loans	-	-	1,887	7,308
Barita Unit Trust Funds-				
Management fees	62,393	58,678	-	-
Interest paid on investments	(9,438)	(3,060)	(9,438)	(3,060)
(Loss)/gain on disposal of investments	(1,362)	552	-	-
Barita Leasing Limited -				
Interest paid on investments	(794)	(1,288)	(794)	(1,288)
Directors -				
Interest paid on investments	(5,585)	(3,057)	(5,585)	(3,057)

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16. Related Party Transactions and Balances (Continued)

(b) The balances at year end were as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Receivables -				
Barita Unit Trusts Management Company Limited	-	-	340	230
Barita Unit Trust Money Market Fund	5,536	5,939	-	-
Barita Unit Trust Capital Growth Fund	412	-	-	-
Barita Education Fund	708	7,438	708	7,438
Barita Finance House Limited	69	-	69	
Key management personnel	182	29	182	29
Other related parties	-	345	-	148
	6,907	13,751	1,299	7,845
Payables -				
Barita Leasing Limited	-	(576)	-	(576)
Barita Education Fund	-	(6)	-	(6)
	-	(582)	-	(582)
Marketable securities -				
Barita Unit Trust Money Market Fund	-	6,647	-	-
Securities sold under repurchase agreement -				
Barita Leasing Limited	(4,878)	(21,790)	(4,878)	(21,790)
Barita Unit Trust Management Company Limited	-	-	(51,319)	(54,322)
Barita Unit Trust Money Market Fund	(47,884)	(138,292)	(47,884)	(138,292)
Barita Unit Trust Capital Growth Fund	(5,163)	(26,900)	(5,163)	(26,900)
Barita Group Pension Scheme	(22,605)	(9,020)	(22,605)	(9,020)
Key management personnel	(1,619)	(3,046)	(1,619)	(3,046)
Directors	(206,010)	(106,303)	(206,010)	(106,303)
	(288,160)	(305,351)	(339,479)	(359,673)

All amounts recorded in receivables, payables and securities sold under repurchase agreements are due within twelve months.

16. Related Party Transactions and Balances (Continued)

(b) The balances at year end were as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Redeemable preference shares -				
Barita Unit Trusts Management Company Limited	-	-	-	(93,463)
Loans receivable				
Barita Unit Trusts Management Company	-	-	-	68,039

The loan receivable is secured by preference shares in the company. Redeemable preference shares and loans receivable are due within twelve months.

(c) Key management compensation

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Salaries	88,653	84,396	74,718	74,607
Statutory deductions	7,035	7,176	6,439	6,897
Pension	4,242	3,851	4,040	3,851
Commission	7,274	15,174	7,274	15,174
	107,204	110,597	92,471	100,529
Directors' emoluments –				
Management remuneration (included in staff costs)	32,279	20,936	21,792	10,868
Directors' fees	1,780	438	1,780	438
	34,059	21,374	23,572	11,306

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17. Property, Plant and Equipment

	The Group				
	Land & Buildings	Office Furniture, Machines & Equipment	Computer Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
			2013		
At Cost or Valuation -					
1 October 2012	147,104	35,219	31,836	18,416	232,575
Additions	-	4,983	1,753	14,991	21,727
Disposals	-	-	(9)	(10,038)	(10,047)
At 30 September 2013	147,104	40,202	33,580	23,369	244,255
Depreciation -					
1 October 2012	4,381	19,108	25,022	14,397	62,908
Charge for the year	3,126	3,190	3,858	3,736	13,910
Disposals	-	-	(9)	(10,024)	(10,033)
At 30 September 2013	7,507	22,298	28,871	8,109	66,785
Net Book Value -					
30 September 2013	139,597	17,904	4,709	15,260	177,470
			2012		
At Cost or Valuation -					
1 October 2011	147,104	27,998	28,099	14,551	217,752
Additions	-	7,221	3,737	3,865	14,823
At 30 September 2012	147,104	35,219	31,836	18,416	232,575
Depreciation -					
1 October 2011	1,248	16,311	21,207	11,042	49,808
Charge for the year	3,133	2,797	3,815	3,355	13,100
At 30 September 2012	4,381	19,108	25,022	14,397	62,908
Net Book Value -					
30 September 2012	142,723	16,111	6,814	4,019	169,667

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17. Property, Plant and Equipment (Continued)

	The Company				
	Land & Buildings $'000	Office Furniture, Machines and Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
			2013		
At Cost or Valuation -					
At 1 October 2012	146,026	34,282	28,518	14,491	223,317
Additions	-	4,953	1,753	10,325	17,031
Disposals			(9)	(6,100)	(6,109)
At 30 September 2013	146,026	39,235	30,262	18,716	234,239
Depreciation -					
At 1 October 2012	3,343	18,579	21,898	10,929	54,749
Charge for the year	3,087	3,160	3,721	2,721	12,689
Disposals			(9)	(6,100)	(6,109)
At 30 September 2013	6,430	21,739	25,610	7,550	61,329
Net Book Value -					
At 30 September 2013	139,596	17,496	4,652	11,166	172,910
			2012		
At Cost or Valuation -					
At 1 October 2011	146,026	27,195	24,781	10,626	208,628
Additions	-	7,087	3,737	3,865	14,689
At 30 September 2012	146,026	34,282	28,518	14,491	223,317
Depreciation -					
At 1 October 2010	254	15,822	18,206	8,359	42,641
Charge for the year	3,089	2,757	3,692	2,570	12,108
At 30 September 2012	3,343	18,579	21,898	10,929	54,749
Net Book Value -					
At 30 September 2012	142,683	15,703	6,620	3,562	168,568

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17. Property, Plant and Equipment (Continued)

The Group's land and building was revalued as at September 2011 by D.C. Tavares & Finson Realty Limited, professionally qualified property appraisers. The valuations were done on the basis of open market value.

The historical cost of land and building is not available.

18. Intangible Assets

	The Group and Company		
	Computer Software	Software development work in progress	Total
	$'000	$'000	$'000
		2013	
At Cost or Valuation -			
At 1 October 2012	14,078	47,165	61,243
Additions	3,871	16,854	20,725
At 30 September 2013	17,949	64,019	81,968
Amortisation -			
At 1 October 2012	10,818	-	10,818
Charge for the year	2,057	-	2,057
At 30 September 2013	12,875	-	12,875
Net Book Value -			
At 30 September 2013	5,074	64,019	69,093
		2012	
At Cost or Valuation -			
At 1 October 2010	13,313	30,994	44,307
Additions	765	16,171	16,936
At 30 September 2012	14,078	47,165	61,243
Amortisation -			
At 1 October 2010	8,804	-	8,804
Charge for the year	2,014	-	2,014
At 30 September 2012	10,818	-	10,818
Net Book Value -			
At 30 September 2012	3,260	47,165	50,425

Software development costs were capitalised as it is expected that economic benefits attributable to the use of the software will flow to the Group. This software is expected to replace the current investment management system used by the Group.

19. Investment

	2013 $'000	2012 $'000
Seat on the Jamaica Stock Exchange	2	2

This investment is carried at cost as the fair value of the stock exchange seat cannot be reliably determined.

20. Deferred Taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 33⅓%.

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred tax assets	-	-	-	-
Deferred tax liabilities	27,133	172,184	26,923	171,852
	27,133	172,184	26,923	171,852

The movement in deferred tax assets and liabilities during the period is as follows:

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Net liabilities at beginning of year	172,184	328,605	171,852	330,368
Charged/(charged) to profit or loss (Note 8)	3,698	(12,529)	3,820	(12,270)
(Credited)/charged to other comprehensive income (Note 8)	(148,749)	(143,892)	(148,749)	(146,246)
Net liabilities at end of year	27,133	172,184	26,923	171,852

Deferred income tax liabilities have not been established for the withholding tax that would be payable on the unappropriated profits of subsidiaries as the amounts are not subject to tax. Such un-appropriated profits totaled $135,464,000 as at 30 September 2013 (2012 - $110,197,000)(See Note 9).

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20. Deferred Taxation (Continued)

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

	The Group				
Deferred tax liabilities	**Fair value gains**	**Accelerated depreciation**	**Interest receivable**	**Exchange gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 October 2011	197,021	28,958	61,081	74,608	361,668
(Credited)/charged to profit or loss	(13,710)	(3,028)	(2,653)	2,306	(17,085)
Charged to other comprehensive income	(143,892)	-	-	-	(143,892)
At 1 October 2012	39,419	25,930	58,428	76,914	200,691
Charged(credited) to profit or loss	43,156	(1,535)	31,257	136,097	208,975
Credited to other comprehensive income	(82,575)	-	-	-	(82,575)
At 30 September 2013	-	24,395	89,685	213,011	327,091

Deferred tax assets	**Fair value losses**	**Taxes losses**	**Interest payable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 October 2011	-	-	33,063	33,063
Charged to profit or loss	-	-	(4,556)	(4,556)
At 1 October 2012	-	-	28,507	28,507
Credited/(charged) to profit or loss	51,528	159,069	(5,320)	205,277
Credited to other comprehensive income	66,174	-	-	66,174
At 30 September 2013	117,702	159,069	231,187	299,958

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20. Deferred Taxation (Continued)

	The Company				
Deferred tax liabilities	**Fair value gains**	**Accelerated depreciation**	**Interest receivable**	**Exchange gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 October 2010	199,375	29,033	60,017	74,608	363,033
Charged/(credited) to profit or loss	(13,710)	(3,015)	(2,113)	2,306	(16,532)
Charged to other comprehensive income	(146,246)	-	-	-	(146,246)
At 1 October 2012	39,419	26,018	57,904	76,914	200,255
(Credited)/ charged to profit or loss	43,156	(1,108)	30,952	136,097	209,097
Credited to other comprehensive income	(82,575)	-	-	-	(82,575)
At 30 September 2013	-	24,910	88,856	213,011	326,777

Deferred tax assets	**Fair value losses**	**Taxes losses**	**Interest payable**	**Total**
	$'000			
At 1 October 2011	-	-	32,665	32,665
Charged to profit or loss	-	-	(4,262)	(4,262)
At 1 October 2012	-	-	28,403	28,403
Credited/(charged) to profit or loss	51,528	159,069	(5,320)	205,277
Credited to other comprehensive income	66,174	-	-	66,174
At 30 September 2013	117,702	159,069	23,083	299,854

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

	The Group		The Company	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Deferred tax liabilities to be settled after more than 12 months	(237,406)	(142,352)	(237,921)	(142,352)
Deferred tax assets to be recovered after more than 12 months	117,702	-	117,702	-

21. Payables

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Client funds	8,889	32,772	8,889	31,122
Statutory liabilities	5,806	16,732	3,915	16,310
Other	50,039	47,954	41,186	33,149
	64,734	97,458	53,990	80,581

All amounts recorded as payables are due within twelve months.

22. Share Capital and Treasury Shares

	The Group		The Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Authorised ordinary shares 600,000,000 (2012 – 600,000,000)				
Authorised redeemable preference shares Nil (2012 – 100,000,000)				
Authorised convertible preference shares Nil (2012 – 100,000,000)				
(a) Issued and fully paid ordinary shares of no par value 445,001,824 (2012 – 445,001,824)	754,994	754,994	754,994	754,994
(b) Issued and fully paid preference shares:				
Series 'A' 2013 redeemable cumulative variable rate preference shares	-	299,970	-	299,970
Series 'B' 2013 convertible cumulative variable rate preference shares	-	13,620	-	13,620
	754,994	1,068,584	754,994	1,068,584
Less preference shares accounted for as liabilities under IFRS	-	(303,430)	-	(303,430)
	754,994	765,154	754,994	765,154
(c) Treasury shares	(10,145)	(10,145)	(9,500)	(9,500)

22. Share Capital and Treasury Shares (Continued)

At 30 September 2012, the company had the following issued share capital:

(i) 200,000,000 ordinary shares;
(ii) 99,990,000 redeemable preference shares; and
(iii) 4,540,000 convertible preference shares

The shares were listed on the JSE on 15 January 2010. The redeemable and convertible preference shares were redeemed for cash during the year. Therefore, at 30 September 2013, the company's issued share capital consisted on 200,000,000 ordinary shares.

BUTM participated in the Barita's initial public offering by acquiring 598,000 ordinary shares and 45,290,000 redeemable preference shares. The ordinary shares acquired by BUTM are treated as treasury shares in the consolidated financial statements while the redeemable preference shares were eliminated, as discussed below.

Redeemable preference shares
The significant terms and conditions of the redeemable preferences shares are as follows:

(i) The right to cumulative dividends at a variable rate which was agreed at 16.5% in the first year.

(ii) In the event of winding up or other return of capital, the right to be paid in priority to any holder of ordinary shares.

(iii) No right to vote at any general meeting except in the event of a failure to pay two consecutive dividends payment period or on winding up of the company.

(iv) Mandatory redemption of the shares at $3 per share. These shares were redeemed during the financial year.

As at 30 September 2012, in accordance with the provisions of IAS 32, these preference shares were classified as a liability as the terms of the preference shares resulted in the company incurring an unavoidable obligation of the company to pay cash. The dividends declared on the preference shares are dealt with in the profit and loss and are part of interest expense. The carrying value of the preference shares issued to BUTM of $93,463,000 were eliminated in the consolidated financial statements, which resulted in the carrying value of the redeemable preference shares being $206,507,000 for the Group.

Convertible preference shares
The significant terms and conditions of the convertible preference shares are similar to the redeemable preference shares with the exception that the right to cumulative dividends was at a variable rate which was agreed at 12% in the first year.

The holders of these shares opted to redeem the share for cash during the year instead of converting to ordinary shares. .

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22. Share Capital and Treasury Shares (Continued)

As at 30 September 2012, in accordance with IAS 32, the convertible preference shares were deemed to be a hybrid financial instrument with both a debt and an equity component. Consistent with the requirement of the standard, the instrument was separated into its component parts to facilitate separate recognition. The value of the liability component and the equity component were determined at the date the preference shares were issued. The liability component of $3,460,000 was determined by calculating the present value of the dividend payments using a market interest rate for a similar non-convertible bond as the discount factor. The residual amount of $10,160,000, represented the equity component and was included in share capital.

23. Capital Reserve

This represents the unrealised surplus on revaluation of property, plant and equipment for the company, and unrealised surplus on revaluation of property, plant and equipment less consolidation adjustments to account for the acquisition of BUTM for the Group.

24. Fair Value Reserve

This represents the unrealised surplus or deficit on the revaluation of available-for-sale investment securities.

25. Capital Redemption Reserve

This was created as a transferred from retained earnings and represents the value of the preference shares redeemed during the year.

26. Dividends

A dividend of $0.114 per ordinary stock was paid on 27 January 2013.