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INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN INVESTMENTS LIMITED

We have audited the financial statements of Proven Investments Limited ("the Company") comprising the separate financial statements of the company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 3 to 59, which comprise the consolidated and separate statements of financial position as at March 31, 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that are fairly presented in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Members of
PROVEN INVESTMENTS LIMITED

Opinion

In our opinion, the financial statements fairly presents the financial position of the Group and the Company as at March 31, 2014, and the financial performance, changes in equity and cash flows of the Group and the Company for the year then ended, in accordance with International Financial Reporting Standards.

KPMG

KPMG Eastern Caribbean
May 26, 2014

Castries, St. Lucia

PROVEN INVESTMENTS LIMITED

Statement of Financial Position
March 31, 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Cash and cash equivalents		4,480	3,558	255	2,021
Resale agreements	4	2,298	2,515	-	1,311
Investment securities	5	114,918	114,435	93,317	86,389
Loans receivable	6	20,312	16,078	9,817	5,228
Other assets	7	5,188	2,290	1,247	1,245
Owed by related party		36	25	175	155
Income tax recoverable		424	3,702	-	-
Property development in progress	8	297	-	-	-
Investment in subsidiaries	9	-	-	17,470	17,470
Investment property	10	-	695	-	-
Intangible asset	11	530	602	-	-
Property, plant and equipment	12	231	248	-	-
Deferred tax asset	18	4	8	-	-
Total assets		148,718	144,156	122,281	113,819
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Repurchase agreements	13	44,075	31,370	20,482	4,955
Credit linked notes	14	-	1,573	-	-
Owed to related parties	15	353	329	2,075	402
Notes payable	16	56,298	63,600	48,754	55,298
Preference shares	17	8,911	9,922	8,911	9,922
Current income tax payable		44	50	38	43
Deferred tax liabilities	18	192	216	-	-
Other liabilities		5,826	1,200	330	455
Total liabilities		115,699	108,260	80,590	71,075
Shareholders' equity:					
Share capital	19	29,657	29,657	29,657	29,657
Fair value reserve	20	(2,708)	236	(1,181)	1,361
Foreign exchange translation reserve	21	(2,525)	(1,463)	-	-
Retained earnings		8,484	7,347	13,215	11,726
Equity attributable to owners of the company		32,908	35,777	41,691	42,744
Non-controlling interest		111	119	-	-
Total shareholders' equity		33,019	35,896	41,691	42,744
Total liabilities and shareholders' equity		148,718	144,156	122,281	113,819

The financial statements on pages 3 to 59 were approved for issue by the Board of Directors on May 26, 2014 and signed on its behalf by:

Chairman
Hugh Hart

Director
Garfield Sinclair

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

PROVEN INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Net interest income and other operating revenue					
Interest income		7,868	7,361	5,192	3,622
Interest expense		(4,649)	(4,474)	(3,337)	(2,535)
Net interest income	22	3,219	2,887	1,855	1,087
Other operating revenue					
Dividends		679	1,260	1,679	1,259
Fees and commissions		206	55	-	-
Net fair value adjustments and realised gains	23	2,962	4,151	2,457	3,092
Net foreign exchange gains		1,185	1,572	865	818
Other income		366	61	227	6
Impairment of loans	6	(45)	(41)	-	-
Total other operating revenue		5,353	7,058	5,228	5,175
Net interest income and other operating revenue		8,572	9,945	7,083	6,262
Expenses					
Staff costs	24	1,320	1,425	100	74
Depreciation and amortisation	11,12	76	88	-	-
Preference share dividend	19,27	969	1,064	969	1,064
Other operating expenses	25	2,192	2,823	1,864	1,980
		4,557	5,400	2,933	3,118
Profit before income tax		4,015	4,545	4,150	3,144
Income tax charge	26	(235)	(390)	(10)	(46)
Profit for the year		3,780	4,155	4,140	3,098
Other comprehensive income					
Items that are or may be reclassified to profit or loss:					
Realised (gain)/losses on available-for-sale securities		(1,234)	10	(1,298)	912
Unrealised (losses)/gains on available-for-sale investments, net of tax		(1,911)	2,454	(1,244)	1,564
Deferred tax on revalued items		201	-	-	-
Foreign exchange translation reserve		(1,062)	(1,315)	-	-
Total other comprehensive (loss)/income		(4,006)	1,149	(2,542)	2,476
Total comprehensive (loss)/income for the year		(226)	5,304	1,598	5,574
Profit attributable to:					
Owners of the company		3,788	4,153		
Non-controlling interests		(8)	2		
Profit for the year		3,780	4,155		
Total comprehensive (loss)/income attributable to:					
Owners of the company		(218)	5,302		
Non-controlling interests		(8)	2		
Total comprehensive (loss)/income for the year		(226)	5,304		
Earnings per stock unit	30	1.28¢	1.41¢		

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

PROVEN INVESTMENTS LIMITED

Statement of Group Changes in Equity
Year ended March 31, 2014

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Foreign exchange translation reserve $'000	Retained earnings $'000	Attributable to equity holders of the group $'000	Non controlling interest $'000	Total $'000
Balances at March 31, 2012	29,657	(2,228)	(148)	5,822	33,103	117	33,220
Total comprehensive income for the year							
Profit for the year	-	-	-	4,153	4,153	2	4,155
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(1,315)	-	(1,315)	-	(1,315)
Realised losses on available-for-sale securities	-	10	-	-	10	-	10
Unrealised gain on fair value of available-for-sale securities	-	2,454	-	-	2,454	-	2,454
Total other comprehensive loss for the year, net of tax	-	2,464	(1,315)	-	1,149	-	1,149
Total comprehensive income for the year	-	2,464	(1,315)	4,153	5,302	2	5,304
Transactions with owners recorded directly in equity							
Dividends to equity holders, being total transactions with owners (note 31)	-	-	-	(2,628)	(2,628)	-	(2,628)
Balances at March 31, 2013	29,657	236	(1,463)	7,347	35,777	119	35,896
Total comprehensive income for the year							
Profit for the year	-	-	-	3,788	3,788	(8)	3,780
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(1,062)	-	(1,062)	-	(1,062)
Realised gains on available-for-sale securities	-	(1,234)	-	-	(1,234)	-	(1,234)
Unrealised gain on fair value of available-for-sale securities	-	(1,911)	-	-	(1,911)	-	(1,911)
Deferred tax on revaluation adjustments	-	201	-	-	201	-	201
Total other comprehensive loss for the year, net of tax	-	(2,944)	(1,062)	-	(4,006)	-	(4,006)
Total comprehensive income for the year	-	(2,944)	(1,062)	3,788	(218)	(8)	(226)
Transactions with owners recorded directly in equity							
Dividends to equity holders, being total transactions with owners (note 31)	-	-	-	(2,651)	(2,651)	-	(2,651)
Balances at March 31, 2014	29,657	(2,708)	(2,525)	8,484	32,908	111	33,019

PROVEN INVESTMENTS LIMITED

Statement of Company Changes in Equity
Year ended March 31, 2014

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Retained earnings $'000	Total $'000
Balances at March 31, 2012	29,657	(1,115)	11,256	39,798
Total comprehensive income for the year				
Profit for the year	-	-	3,098	3,098
Other comprehensive income for the year				
Unrealised gain in fair value of available-for-sale securities	-	1,564	-	1,564
Realised loss in fair value of available-for-sale securities	-	912	-	912
Total other comprehensive income	-	2,476	-	2,476
Total comprehensive income for the year	-	2,476	3,098	5,574
Transactions with owners recorded directly in equity:				
Dividends to equity holders, being total transactions with owners (note 31)	-	-	(2,628)	(2,628)
Balances at March 31, 2013	29,657	1,361	11,726	42,744
Total comprehensive income for the year				
Profit for the year	-	-	4,140	4,140
Other comprehensive income for the year				
Unrealised gain in fair value of available-for-sale securities	-	(1,244)	-	(1,244)
Realised loss in fair value of available-for-sale securities	-	(1,298)	-	(1,298)
	-	(2,542)	-	(2,542)
Total comprehensive income for the year	-	(2,542)	4,140	1,598
Transactions with owners recorded directly in equity:				
Dividends to equity holders, being total transactions with owners (note 31)	-	-	(2,651)	(2,651)
Balances at March 31, 2014	29,657	(1,181)	13,215	41,691

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

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Cash flows from operating activities:					
Profit for the year		3,780	4,155	4,140	3,098
Adjustments for:					
Depreciation	12	61	73	-	-
Amortisation	11	15	15	-	-
Adjustment on revaluation of investment property		32	-	-	-
Interest income		(7,868)	(7,361)	(5,192)	(3,622)
Interest expense		4,649	4,474	3,204	2,535
Loss on disposal of fixed assets		-	1	-	-
Unrealised foreign exchange gain		(1,650)	(1,228)	(1,011)	(49)
Income tax charge	26	235	390	10	46
		(746)	519	1,151	2,008
Change in operating assets and liabilities					
Investment securities		(3,628)	(10,939)	(9,470)	(21,682)
Loans receivable		(4,234)	9,258	(4,589)	454
Other assets		(2,253)	409	112	1,562
Owed by related party		(11)	(25)	(20)	(155)
Other liabilities		4,365	310	(21)	186
Repurchase agreements		12,705	(3,974)	15,527	(967)
Income tax recoverable		3,278	1,443	-	(40)
Resale agreements		217	(1,633)	1,311	4,955
Credit linked notes		(1,573)	(2,797)	-	(688)
Owed to related party		24	225	1,673	296
		8,144	(6,062)	5,674	(14,071)
Interest received		7,578	7,239	5,078	3,415
Interest paid		(4,388)	(4,858)	(3,308)	(2,694)
Income tax paid		(32)	(380)	(15)	-
Net cash provided by/(used in) operating activities		11,302	(4,061)	1,755	(13,350)
Cash flows from investing activities:					
Purchase of property, plant and equipment	12	(65)	(18)	-	-
Purchase of intangible asset	11	-	(608)	-	-
Net cash used in investing activities		(65)	(626)	-	-
Net cash flows from operating and investing activities (carried forward to page 8)		11,237	(4,687)	7,429	(13,350)

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

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Cash flows from operating and investing activities (brought forward from page 7)		11,237	(4,687)	7,429	(13,350)
Cash flows from financing activities:					
Notes payable		(7,302)	9,428	(6,544)	17,003
Dividend paid	31	(2,651)	(2,628)	(2,651)	(2,628)
Bank overdraft		-	(223)	-	(223)
Net cash (used in)/provided by financing activities		(9,953)	6,577	(9,195)	14,152
Net increase/(decrease) in cash and cash equivalents		1,284	1,890	(1,766)	802
Effect of exchange rate fluctuations on cash and cash equivalents		(362)	(1,240)	-	-
Cash and cash equivalents at beginning of period		3,558	2,908	2,021	1,219
Cash and cash equivalents at end of period		4,480	3,558	255	2,021

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements
March 31, 2014

1. Identification

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

The parent company, Proven Management Limited, is incorporated in Jamaica, having its registered office at 26 Belmont Road, Kingston 5, Jamaica.

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

"Group" refers to the Company and its subsidiaries, as follows:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2013	2012
Proven Wealth Limited	Jamaica	Funds management, investment advisory services, money market and equity trading	100	100
Proven REIT Limited and its wholly-owned subsidiary	Saint Lucia	Real estate investment	85	85
Proven Kingsway Limited	Saint Lucia	Real estate investment	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

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

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to its operations. The nature and effects of the changes are as follows:

- Amendment to IAS 1, *Presentation of Financial Statements*, entitled "IAS 1, *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*", which led to the following changes in the financial statements:
  - Items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future are presented separately from those that would never be reclassified to profit or loss.
  - The title of the statement has changed from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income'.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

2. Statement of compliance and basis of preparation (cont'd)

(a) Statement of compliance: (cont'd)

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

- IFRS 10, *Consolidated Financial Statements*, introduces a new approach to determining which investees should be consolidated. It focuses on whether the Group has (1) power over an investee, (2) exposure or rights to variable returns from its involvement with the investee, and (3) ability to use its power to affect those returns.

  The Group has reassessed the control conclusion in respect of its investees as at January 1, 2013. This has, however, not resulted in any changes to the control conclusions previously determined within the Group. However, it was concluded that the Group itself is required to be consolidated by Proven Management Limited.

- IFRS 13, *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. Consequently, the Group has included additional disclosures in this regard (note 29), but there was no significant impact on the measurements of the company's assets and liabilities.

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

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

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2017, retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, to present all fair value changes from the investment in other comprehensive income. It also includes guidance on classification and measurement of financial liabilities designated as at fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement*, on the recognition and de-recognition of financial assets and financial liabilities.

2. Statement of compliance and basis of preparation (cont'd)

(a) Statement of compliance (cont'd):

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

- Amendments to IAS 32, *Financial Instruments: Presentation*, which is effective for annual reporting periods beginning on or after January 1, 2014, clarifies those conditions needed to meet the criteria specified for offsetting financial assets and liabilities. It requires the entity to prove that there is a legally enforceable right to set off the recognised amounts. Conditions such as whether the set off is contingent on a future event and the nature and right of set-off and laws applicable to the relationships between the parties involved should be examined. Additionally, to meet the criteria, an entity should intend to either settle on a net basis or to realise the asset and settle the liability simultaneously.

- *Improvements to IFRS, 2010-2012 and 2011-2013* cycles, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments applicable to the company are as follows:

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

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

The Group is assessing the impact that these new, revised and amended standards and interpretations will, when they become effective, have on its financial statements.

(b) Basis of measurement:

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

2. Statement of compliance and basis of preparation (cont'd)

(c) Functional and presentation currency:

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

(d) Accounting estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions, and critical judgements in applying accounting policies. These estimates, assumptions and judgements affect the application of accounting policies and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the revenue and expenses for the year then ended. Actual results could differ from those estimates.

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

The significant assumptions about the future and key areas of estimation uncertainty and the critical judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and have a significant risk of material adjustment in the next financial period, are as follows:

(i) Key sources of estimation uncertainty:

- Allowance for impairment losses:

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

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

2. Statement of compliance and basis of preparation (cont'd)

(d) Accounting estimates and judgements (cont'd):

(i) Key sources of estimation uncertainty (cont'd):

- Fair value of financial instruments:

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

  The Group's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

  When measuring fair value of an asset or liability, the Group uses observable data as far as possible. Fair values are categorized into different levels in a three-level fair value hierarchy based on the inputs used in the valuation techniques, as described in note 29.

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

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

Management is sometimes also required to make critical judgements in applying accounting policies. In classifying financial assets, management makes judgements about whether the criteria are met. For example, the determination of whether a security may be classified as 'loans and receivables' (note 6) or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy (note 29) requires judgement as to whether a market is active, or designating a security as held-to-maturity requires judgment about the ability to hold the security to maturity.

3. Significant accounting policies

(a) Basis of consolidation:

(i) Business combinations

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

The Group measures goodwill at the acquisition date as:

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

3. Significant accounting policies (cont'd)

(a) Basis of consolidation(cont'd):

(i) Business combinations (cont'd)

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

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

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

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

(ii) Subsidiaries

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

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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

3. Significant accounting policies (cont'd)

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

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

(i) Classification of financial instruments

The Group classifies non-derivative financial assets into the following categories: *loans and receivables*, *held-to-maturity*, *at fair value through profit or loss* and *available-for-sale*. Management determines the appropriate classification of investments at the time of purchase.

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

(ii) Non-derivative financial assets and financial liabilities – recognition and derecognition

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

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

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

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

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

(iii) Non-derivative financial assets – measurement

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

3. Significant accounting policies (cont'd)

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

(iii) Non-derivative financial assets – measurement (cont'd)

Financial assets at fair value through profit or loss: Investments that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such are classified as at fair value through profit or loss. On initial recognition they are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

A*vailable-for-sale:* Other investments are classified as available-for-sale. On initial recognition, they are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value, except for impairment losses, and, in the case of debt securities, foreign exchange gains and losses, being recognised in other comprehensive income and accumulated in fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(c) Financial instruments - Other

(i) Non-trading derivatives:

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

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

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

3. Significant accounting policies (cont'd)

(c) Financial instruments - Other

(ii) Cash and cash equivalents:

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

Cash and cash equivalents are carried at amortised cost.

(iii) Other assets:

Other assets are stated at amortised cost less impairment losses.

(iv) Other liabilities:

Other liabilities are stated at amortised cost.

(v) Resale and repurchase agreements:

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

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

3. Significant accounting policies (cont'd)

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

(vi) Share capital:

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

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

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

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

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

(vii) Loans and notes receivable and other receivables:

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

(viii) Accounts payable:

Accounts payable are stated at their amortised cost.

(ix) Interest-bearing borrowings:

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

(x) Offsetting:

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

3. Significant accounting policies (cont'd)

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

(xi) Amortised cost:

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

(d) Property development costs

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

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

(e) Property, plant and equipment:

(i) Cost:

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

(ii) Depreciation:

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

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

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

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

3. Significant accounting policies (cont'd)

(f) Intangible assets:

(i) License

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

(ii) Computer software:

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

(iii) Goodwill:

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

(g) Foreign currency translation:

(i) Transactions and balances:

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

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

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

(ii) Foreign operations:

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

3. Significant accounting policies (cont'd)

(h) Income tax:

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

(i) Current income tax:

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

(ii) Deferred income tax:

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

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

(i) Impairment:

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

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

(1) Calculation of recoverable amount:

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

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd):

(1) Calculation of recoverable amount (cont'd):

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

(2) Reversals of impairment:

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

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

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

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

(j) Investment in subsidiaries

Investment in subsidiaries is carried at cost.

(k) Revenue recognition:

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

(i) Interest income:

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

3. Significant accounting policies (cont'd)

(k) Revenue recognition (cont'd):

(ii) Fee and commission income:

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

(iii) Dividends

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

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

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

(l) Interest expense:

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

(m) Investment property:

Investment property, comprising residential apartments, was held for long-term rental yields and capital gain.

Investment properties are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are carried at fair value.

Fair value is determined every three years by an independent registered valuer, and in each of the two intervening years by the directors. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

4. Resale agreements

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

Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfill its contractual obligations. At the reporting date, the fair value of the underlying securities held for resale agreements was $2,601,000 (2013: $2,023,000) for the Group and $Nil (2013: $1,411,000) for the Company.

5. Investment securities

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Quoted equities	12	13	-	-
Credit linked notes	18,782	-	18,782	-
PPN warrant asset	-	149	-	-
Foreign currency forward	(9)	5	-	-
	18,785	167	18,782	-
Available-for-sale securities				
Government of Jamaica securities	14,372	-	1,556	-
Local equities	492	-	492	-
Global equities	930	943	930	943
Global bonds	34,392	34,145	25,721	12,928
Mutual funds	16,843	28,208	16,843	28,208
Corporate bonds	27,851	44,475	28,993	43,503
Credit linked notes	-	-	-	807
	94,880	107,771	74,535	86,389
Loans and receivables				
Government of Jamaica securities	1,244	4,302	-	-
Fixed deposits	-	2,150	-	-
Corporate bonds	9	45	-	-
	1,253	6,497	-	-
	114,918	114,435	93,317	86,389

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

6. Loans receivable

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Margin loans [see (a) below]	7,880	7,731	-	-
Hire purchase loans	303	584	-	-
Corporate notes	9,817	6,741	9,817	5,228
Other loans	2,312	1,022	-	-
	20,312	16,078	9,817	5,228

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

At the reporting date, the fair value of the collateral pledged by the clients and re-pledged by the Group was $16,498,000 (2013: $18,704,000).

(b) Loans receivable are due, from the reporting date, as follows:

	Group 2014				
	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Margin loans	1,323	6,557	-	-	7,880
Hire purchase loans	-	303	-	-	303
Corporate notes	-	2,371	7,446	-	9,817
Other loans	2,312	-	-	-	2,312
	3,635	9,231	7,446	-	20,312

	Group 2013				
	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Margin loans	1,144	722	-	5,865	7,731
Hire purchase loans	584	-	-	-	584
Corporate notes	930	2,477	3,334	-	6,741
Other loans	-	1,022	-	-	1,022
	2,658	4,221	3,334	5,865	16,078

	Company 2014			
	Within 3 months	3-12 months	1-5 years	Total
Corporate notes	-	2,371	7,446	9,817

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

6. Loans receivable (cont'd)

(b) Loans receivable are due, from the reporting date as follows (cont'd):

	Company			
	2013			
	Within 3 months	3-12 months	1-5 years	Total
Corporate notes	-	477	4,751	5,228

(c) Impairment losses:

The aging of hire purchase and other loans, net of allowance for impairment losses, is as follows:

	Group 2014		Group 2013	
	Gross	Allowance for impairment	Gross	Allowance for impairment
Not past due and not impaired	994	-	607	-
Past due and not impaired	1,558	-	981	-
More than 90 days past and impaired	80	80	52	49
Interest receivable	63	-	15	-
	2,695	80	1,655	49

(d) Impairment losses:

	Group	
	2014 $'000	2013 $'000
Balance at the beginning of the year	49	34
Impairment losses recognized	45	41
Exchange difference	(14)	-
Provision no longer required	-	(26)
Balance at the end of the year	80	49

7. Other assets

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Joint operator (note 10)	298	-	-	-
Due from clients	102	121	-	-
Interest receivable	1,545	1,255	1,151	960
Other [see (a)]	3,350	1,665	100	922
	5,295	3,041	1,251	1,882
Less allowance for impairment [see (b)]	(107)	(751)	(4)	(637)
	5,188	2,290	1,247	1,245

7. Other receivables (cont'd)

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

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

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Due from clients	107	112	-	-
Other	-	639	4	637
	107	751	4	637

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

	Group 2014	Group 2013	Company 2014	Company 2013
Balance at beginning of year	751	129	637	-
Impairment losses recognized	(644)	637	(633)	637
Foreign exchange gain	-	(15)	-	-
Balance at end of year	107	751	4	637

8. Property development in progress

The Group is a participant with another party in a joint operation to develop and sell property comprising residential apartment units. Under the terms of the agreement dated March 28, 2014, the Group will contribute land and undertake certain other activities. The Group and the other joint operator will each share equally in the net profits of the development. The amount of $297,000 represents the Group's contribution to the joint operation less the other party's interest therein; the other party, in return for its interest in the transferred property, is obligated to contribute certain expertise, services and other things, and the value to the Group of this obligation is included in other assets. (Note 10).

9. Investment in subsidiaries

	Company	
	2014	2013
	$'000	$'000
Ordinary shares	17,470	17,470

(i) This represents 100% of the voting equity issued by the subsidiaries (note 1).

(ii) On February 29, 2012, Proven Investments Limited acquired the entire issued share capital of Asset Management Company Limited.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

10. Investment property

	2014 $'000	2013 $'000
Purchase price	551	551
Transaction costs	24	24
Fair value adjustment	178	210
Translation adjustment	(158)	(90)
	595	695
Transfer to joint operator (note 7)	(298)	-
Transfer to property development in progress (note 8)	(297)	-
	-	695

The fair value of investment properties as at the reporting date is based on estimates of open market value, which may be defined as the best price at which an interest in a property might reasonably be expected to be sold by private treaty at the date of valuation, assuming:

- a willing seller;
- a willing buyer;
- a reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market;
- values are expected to remain stable throughout the period of market exposure and disposal by way of sale;
- the property will be freely exposed to the market;
- that no account has been taken of any possible additional bid/s reflecting any premium in price which might be forth-coming from a potential purchaser with a special interest in acquiring the premises; and
- that the subject premises, in its current zoned use class, can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its land use class, in the open market.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

11. Intangible assets

	License $'000	Computer software $'000	Total $'000
Cost:			
March 31, 2012	-	54	54
Additions	571	37	608
Reclassified to property, plant, and equipment	-	(20)	(20)
Translation adjustment	-	(10)	(10)
March 31, 2013	571	61	632
Translation adjustment	(56)	1	(55)
March 31, 2014	515	62	577
Amortisation:			
March 31, 2012	-	13	13
Amortisation for the year	-	15	15
Reclassified to property, plant, and equipment	-	(4)	(4)
Translation adjustment	-	6	6
March 31, 2013	-	30	30
Amortisation for the year	-	15	15
Translation adjustment	-	2	2
March 31, 2014	-	47	47
Net book values:			
March 31, 2014	515	15	530
March 31, 2013	571	31	602
March 31, 2012	-	41	41

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

12. Property, plant and equipment

	Group				
	Leasehold improvement $'000	Furniture fixtures and equipment $'000	Motor vehicle $'000	Computer equipment $'000	Total $'000
Cost:					
March 31, 2012	45	261	14	126	446
Additions	4	4	-	10	18
Disposals	-	(2)	-	-	(2)
Reclassified from intangible asset	-	-	-	20	20
Translation adjustment	(6)	(36)	(5)	(48)	(95)
March 31, 2013	43	227	9	108	387
Additions	47	4	-	14	65
Disposals				(1)	(1)
Translation adjustment	(3)	29	26	25	77
March 31, 2014	87	260	35	146	528
Depreciation:					
March 31, 2012	4	51	-	44	99
Charge for the year	5	31	8	29	73
Disposals	-	(1)	-	-	(1)
Reclassified from intangible asset	-	-	-	4	4
Translation adjustment	(1)	(14)	(5)	(16)	(36)
March 31, 2013	8	67	3	61	139
Charge for the year	7	27	5	22	61
Disposals				(1)	(1)
Translation adjustment	(1)	43	27	29	98
March 31, 2014	14	137	35	111	297
Net book values:					
March 31, 2014	73	123	-	35	231
March 31, 2013	35	160	6	47	248
March 31, 2012	41	210	14	82	347

13. Repurchase agreements

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

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Denominated in Jamaica dollars	13,114	18,290	390	-
Denominated in United States dollars	30,823	12,922	19,928	4,955
Denominated in Pounds Sterling	138	158	164	-
	44,075	31,370	20,482	4,955

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

14. Credit linked notes

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

15. Owed to related parties

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Subsidiary	-	-	1,722	73
Dividend payable	267	281	267	281
Accrued management fees	86	48	86	48
	353	329	2,075	402

16. Notes payable

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Structured notes [See (i)]	34,838	17,978	34,733	17,966
Equity-linked notes [See (ii)]	-	6,763	-	6,205
Margin loans payable [See (iii)]	21,460	38,859	14,021	31,127
	56,298	63,600	48,754	55,298

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

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

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

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

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

17. Preference shares

	J$'000	Group and Company 2014 $'000	2013 $'000
Managers' preference shares [See (a)]		1	1
8% Cumulative redeemable preference shares [See (b) below and note 19]			
At beginning of year	976,374	9,921	11,239
Effect of exchange rate fluctuation	-	(1,011)	(1,318)
At end of year	976,374	8,910	9,921
		8,911	9,922

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

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

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

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

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

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

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

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17. Preference shares (cont'd)

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

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

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

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

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

The dividend on both classes of preference shares is recorded as interest expense in the statement of comprehensive income.

18. Deferred tax assets/(liabilities)

	Group					
	Asset		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
	$000	$000	$000	$000	$000	$000
Deferred tax liability is attributable to the following:						
Property, plant and equipment	(4)	-	(27)	(31)	(31)	(31)
Other receivables	(16)	-	(101)	(107)	(117)	(107)
Unrealised foreign exchange gains	-		(336)	(230)	(336)	(230)
Available-for-sale investment securities	-	25	224	-	224	25
Other liabilities	24	(33)	51	152	75	119
Other	-	16	(3)	-	(3)	16
	4	8	(192)	(216)	(188)	(208)

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18. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year:

	Group	
	2014 $'000	2013 $'000
Net deferred tax liability at the beginning of the year	(208)	(211)
Recognised in profit or loss:		
Property, plant and equipment	-	(1)
Other receivables	(10)	103
Unrealised foreign exchange gains	(106)	(180)
Other liabilities	(74)	4
Other	(19)	50
	(209)	(24)
Recognised in equity:		
Available-for-sale investment securities	201	-
Translation adjustment	28	27
	229	27
Net deferred tax liability at the end of the year	(188)	(208)

19. Share capital

	2014 $'000	2013 $'000
Authorised:		
2,999,990,000 Ordinary shares, par value US$0.01 each	29,999,900	29,999,900
10,000 Manager's Preference Shares, par value US$0.01 each	100	100
300,000,000 8% Cumulative Redeemable Preference Shares, par value US$0.01 each	3,000,000	3,000,000
	33,000,000	33,000,000

	2014 $'000	2013 $'000
Issued and fully paid:		
294,951,884 Ordinary shares	29,657	29,657
10,000 Manager's Preference Shares	1	1
200,000,000 8% Cumulative Redeemable Preference Shares	8,910	9,921
	38,568	39,579
Less: Preference shares reclassified to liability (see note 17)	(8,911)	(9,922)
	29,657	29,657

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Notes to the Financial Statements (continued)
March 31, 2014

19. Share capital (cont'd)

On December 23, 2011, the Company issued 200,000,000 of the newly created cumulative redeemable 8% preference shares at a fixed price of J$5 per share. Dividend is payable at 8% per annum quarterly on the 23rd day of March, June, September and December.

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

20. Fair value reserve

This represents the cumulative net unrealised gains/(losses) in fair value, net of taxation, on the revaluation of available-for-sale investment securities.

21. Foreign exchange translation reserve

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

22. Net interest income

	Group		Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Interest income:				
BOJ certificates of deposit	-	2	-	-
GOJ benchmark investment notes	1,098	1,538	82	-
GOJ investment bonds	82	-	-	-
GOJ local registered stock	2	3	-	-
Regional and corporate bonds	1,702	986	1,701	986
Global bonds	588	949	-	-
Resale agreements	87	103	53	40
Corporate note	3,232	2,665	3,328	2,459
Margin loans receivable	-	40	-	40
Other loans receivable	253	390	-	-
Credit-linked notes	25	-	25	39
Other	799	685	3	58
	7,868	7,361	5,192	3,622
Interest expense:				
Interest on margins	723	922	572	701
Repurchase agreements	1,163	1,374	291	7
Credit-linked notes	59	116	-	-
Notes payable	1,151	996	1,348	914
Preference shares	764	870	764	870
Other	789	196	362	43
	4,649	4,474	3,337	2,535
	3,219	2,887	1,855	1,087

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
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23. Net fair value adjustments and realised gains

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Fair value adjustment for investment property	(32)	-	-	-
Fair value gains on fixed income securities	1,573	1,434	1,384	379
Fair value gains on equity securities	1,387	2,697	1,039	2,696
Gains/(losses) on currency trading	34	20	34	17
	2,962	4,151	2,457	3,092

24. Staff costs

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Redundancy costs	48	-	-	-
Salaries, wages and related costs	997	991	100	74
Bonus and ex-gratia payments	77	226	-	-
Statutory payroll contributions	106	103	-	-
Pension costs - defined contribution plan	37	31	-	-
Staff welfare	55	74	-	-
	1,320	1,425	100	74

Included in staff costs are the following directors' emoluments:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Fees	77	69	52	51
Management remuneration	127	128	-	-

25. Other operating expenses

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Audit fees	88	104	39	54
Bad debt expense	82	637	82	637
Irrecoverable GCT	193	117	128	62
Insurance	27	17	-	4
Legal and other professional fees	151	289	68	77
Licenses and permits	102	118	-	-
Marketing	209	160	88	70
Miscellaneous	219	247	25	31
Management fees (note 27 c)	689	688	689	688
Withholding tax expense	32	79	32	79
Office rent	81	61	-	-
Commission expenses and fees	13	8	694	263
Printing and stationery	43	35	-	-
Repairs and maintenance	124	126	-	-
Subscriptions and donations	13	15	-	1
Travelling	43	40	19	14
Utilities	83	81	-	-
Loss on sale of fixed assets	-	1	-	-
	2,192	2,823	1,864	1,980

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Notes to the Financial Statements (continued)
March 31, 2014

26. Taxation

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

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
(i) Current tax charge:				
Charge/(credit) on current period's profits:				
Income tax at 1%	10	46	10	46
Income tax at 33⅓%	16	303	-	-
Income tax at 25%	-	(2)	-	-
	26	347	10	46
(ii) Deferred tax credit:				
Origination and reversal of temporary differences	209	24	-	-
(iii) Prior year under provision	-	19	-	-
Total income tax charge	235	390	10	46

(b) Reconciliation of effective tax rate:

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

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Surplus before taxation	4,015	4,545	4,150	3,144
Computed "expected" tax expense at 1%	40	45	42	31
Computed "expected" tax expense at 25%	10	(2)	-	-
Computed "expected" tax expense at 33⅓%	294	454	-	-
Difference between profits for financial statements and tax reporting purposes on -	344	497	42	31
Depreciation charge and capital allowances	4	(1)	-	-
Unrealised foreign exchange loss	-	54	-	13
Interest receivable	-	(1)	-	-
Income exempt from income tax	(77)	(144)	-	-
Disallowed expenses	48	(21)	9	12
Other	(84)	6	(41)	(10)
Actual tax expense	235	390	10	46

27. Related party transactions

(a) Definition of related party

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

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

(vi) The entity is controlled, or jointly controlled by a person identified in (1).

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

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

(b) The Group has a related party relationship with its subsidiary, associates and with its directors and executive officers in the ordinary course of business.

27. Related party transactions (cont'd)

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

	Group and Company	
	2014	2013
	$'000	$'000
Investment management fees paid for the year	603	640
Fees accrued at end of year	86	48
	689	688

(d) Key management compensation for the year, included in staff costs (note 24), is as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Staff costs	196	198	52	25

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

	Subsidiary 2014	Directors and key management 2014	Subsidiary 2013	Directors and key management 2013
	$'000	$'000	$'000	$'000
Resale agreement	954	-	-	-
Other receivables	-	190	-	-
Repurchase agreements	-	182	1,491	344
Credit-linked notes	-	-	912	751
Other liabilities	-	9	11	-

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

	2014	2013
	$'000	$'000
Proven Wealth Limited		
Interest income	52	79
Proven Management Limited		
Dividends paid	819	783
Dividends accrued at end of year	150	281
	969	1,064
Management fees	689	688

27. Related party transactions (cont'd)

(f) Other amounts with related parties are disclosed in note 15.

28. Financial risk management

(a) Introduction and overview:

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

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

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

(i) Investment Management Committee
(ii) Audit Committee

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

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

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

(b) Credit risk:

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

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

(i) Maximum exposure to credit risk:

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

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

- Cash and cash equivalents

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

- Resale agreements

  Collateral is held for all resale agreements.

- Investment securities

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

- Accounts receivable

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

- Loans receivable

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

(ii) Concentration of credit risk:

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

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

(iii) Impairment:

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

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

(c) Liquidity risk:

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

(i) Liquidity risk management:

The Group's liquidity management process, as carried out within the Group and monitored by the Investment Management Committee, includes:

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

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

(iii) Optimising cash returns on investment;

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

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

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

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

(c) Liquidity risk (cont'd)

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

Group

	2014							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	17,164	17,322	4,047	1,411	5,306	-	45,250	44,075
Owed to related party	-	-	-	-	-	353	353	353
Notes payable	63	6,108	13,570	24,690	815	14,052	59,298	56,298
Preference shares	-	181	552	10,418	-	12	11,163	8,911
Other liabilities	-	-	-	-	-	5,826	5,826	5,826
Total financial liabilities	17,227	23,611	18,169	36,519	6,121	20,243	121,890	115,463

	2013							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	3,373	12,685	10,307	977	5,048	-	32,390	31,370
Credit linked notes	-	-	1,662	-	-	-	1,662	1,573
Owed to related party	-	-	-	-	-	329	329	329
Notes payable	31,146	372	19,065	8,070	5,917	-	64,570	63,600
Preference shares	-	200	612	12,144	-	1	12,957	9,922
Other liabilities	540	467	179	14	-	-	1,200	1,200
Total financial liabilities	35,059	13,724	31,825	21,205	10,965	330	113,108	107,994

Company

	2014							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	948	13,599	-	1,408	5,306	-	21,261	20,482
Owed to related party	-	-	-	-	-	2,075	2,075	2,075
Notes payable	-	2,340	7,339	27,076	815	14,052	51,622	48,754
Preference shares	-	181	552	10,418	-	12	11,163	8,911
Other liabilities	-	-	-	-	-	330	330	330
Total financial liabilities	948	16,120	7,891	38,902	6,121	16,469	86,451	80,552

	2013							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	-	-	111	557	5,048	-	5,716	4,955
Owed to related party	-	-	-	-	-	402	402	402
Notes payable	31,146	228	17,662	7,233	-	-	56,269	55,298
Preference shares	-	200	612	12,144	-	1	12,957	9,922
Other liabilities	455	-	-	-	-	-	455	455
Total financial liabilities	31,601	428	18,385	19,934	5,048	403	75,799	71,032

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk:

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

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

(i) Foreign currency risk:

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

Group

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Group

	2013		
	J$	GBP	Other
	$'000	$'000	$'000
Assets:			
Cash and cash equivalents	3,981	2	13
Resale agreements	-	113	-
Investment securities	-	-	330
Loans receivable	375,000	-	-
Other	5,702	2,854	16,901
	384,683	2,969	17,244
Liabilities			
Loans payable	-	-	-
Repurchase agreements	-	103	-
Credit-linked notes	-	-	-
Owed to related parties	43,122	-	-
Notes payable	513,260	-	-
Preference shares	983,645	-	-
Other	5,382	-	15
	1,545,409	103	15
Net position	(1,160,726)	2,866	17,229

Company

	2014		2013	
	J$	GBP	J$	GBP
	$'000	$'000	$'000	$'000
Assets:				
Cash and cash equivalents	842	100	-	-
Resale agreements	-	-	-	-
Loans receivable	635,705	-	-	-
Investment securities	220,838	-	-	-
Due from related party	17,564	-	-	-
Other	15,397	-	-	-
	890,346	100	-	-
Liabilities				
Owed to related parties	33,451	-	-	-
Notes payable	639,242	-	-	-
Preference shares	983,645	-	-	-
Repurchase agreement	42,469	100	-	-
Other	4,121	1	-	-
	1,702,928	101	-	-
Net position	(812,582)	(1)	-	-

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Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Sensitivity to exchange rate movements:

The following indicates the sensitivity to changes in foreign currency exchange rates of the Group's profit and shareholders' equity. The analysis assumes that all other variables, in particular interest rates, remain constant.

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

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

	% change in currency rate 2013	Group Effect on profit 2013 $'000	Group Effect on comprehensive income 2013 $'000	Company Effect on profit 2013 $'000	Company Effect on comprehensive income 2013 $'000
Currency:					
JMD	1% Revaluation	(118)	-	(88)	-
GBP	1% Revaluation	44	-	-	-
Other	1% Revaluation	221	-	-	-

	% change in currency rate 2013	Group Effect on profit 2013 $'000	Group Effect on comprehensive income 2013 $'000	Company Effect on profit 2013 $'000	Company Effect on comprehensive income 2013 $'000
Currency:					
JMD	10% Devaluation	(1,179)	-	(992)	-
GBP	10% Devaluation	(435)	-	-	-
Other	10% Devaluation	(2,208)	-	-	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(ii) Interest rate risk:

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

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

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-earning financial assets and interest-bearing financial liabilities. The Investments Management Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by management and reported monthly to the Investment Management Committee.

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

Group

	2014						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	4,480	4,480
Resale agreements	2,083	-	215	-	-	-	2,298
Investment securities	-	-	453	6,768	65,953	41,744	114,918
Loans receivable	151	1,602	10,037	8,522	-	-	20,312
Due from related party	-	-	-	-	-	36	36
Other	-	-	-	-	-	5,188	5,188
Total assets	2,234	1,602	10,705	15,290	65,953	51,448	147,232
Liabilities							
Repurchase agreements	17,708	16,663	3,711	1,303	4,690	-	44,075
Owed to related parties	-	-	-	-	-	353	353
Notes payable	-	2,154	6,781	25,883	8	21,472	56,298
Preference shares	-	-	-	8,910	-	1	8,911
Other	-	-	-	-	-	5,826	5,826
Total liabilities	17,708	18,817	10,492	36,096	4,698	27,652	115,463
Interest rate sensitivity gap	(15,474)	(17,215)	213	(20,806)	61,255	23,796	31,769
Cumulative interest rate sensitivity gap	(15,474)	(32,689)	(32,476)	(53,282)	7,973	31,769	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

	2013						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	3,558	3,558
Resale agreements	478	1,215	491	331	-	-	2,515
Investment securities	2,137	4,789	10,489	12,850	54,852	154	85,271
Loans receivable	277	1,116	3,964	4,804	5,917	-	16,078
Due from related party	-	-	-	-	-	25	25
Other	-	-	-	169	33	604	806
Total assets	2,892	7,120	14,944	18,154	60,802	4,341	108,253
Liabilities							
Repurchase agreements	16,948	6,945	2,190	332	4,955	-	31,370
Credit-linked notes	-	672	901	-	-	-	1,573
Owed to related parties	-	-	-	-	-	329	329
Notes payable	31,127	-	17,602	7,127	12	7,732	63,600
Preference shares	-	-	-	9,921	-	1	9,922
Other	-	-	-	-	-	381	381
Total liabilities	48,075	7,617	20,693	17,380	4,967	8,443	107,175
Interest rate sensitivity gap	(45,183)	(497)	(5,749)	774	55,835	(4,102)	1,078
Cumulative interest rate sensitivity gap	(45,183)	(45,680)	(51,429)	(50,655)	5,180	1,078	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Company

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

	2013						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and bank	-	-	-	-	-	2,021	2,021
Resale agreements	884	427	-	-	-	-	1,311
Investment securities	-	-	807	9,992	46,439	-	57,238
Loans receivable	-	-	478	4,750	-	-	5,228
Other assets	-	-	-	-	-	285	285
Owed by related party	-	-	-	-	-	155	155
Total assets	884	427	1,285	14,742	46,439	2,461	66,238
Liabilities							
Repurchase agreements	-	-	-	-	4,955	-	4,955
Owed to related parties	-	-	-	-	-	402	402
Preference share	-	-	-	9,921	-	1	9,922
Other liabilities	-	-	-	-	-	258	258
Notes payable	31,127	-	17,044	7,127	-	-	55,298
Total liabilities	31,127	-	17,044	17,048	4,955	661	70,835
Total interest rate sensitivity gap	(30,243)	427	(15,759)	(2,306)	41,484	1,800	(4,597)
Cumulative interest rate sensitivity gap	(30,243)	(29,816)	(45,575)	(47,881)	(6,397)	(4,597)	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

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

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

	Group				Company			
	2013				2013			
	J$ %	US$ %	GBP %	Euro %	J$ %	US$ %	GBP %	Euro %
Assets								
Resale agreements	5.89	4.99	2.90	-	5.38	1.00	-	-
Investment securities	7.55	6.96	-	6.83		6.90	-	-
Loans receivable	-	4.73	-	-	10.39	-	-	-
Liabilities								
Repurchase agreements	4.99	2.36	-	-	-	2.25	-	-
Notes payable	6.11	4.04	-	-	6.11	4.04	-	-
Credit-linked notes	6.00	5.50	-	-	-	-	-	-
Preference shares	14.50	-	-	-	14.50	-	-	-

Sensitivity to interest rate movements

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

Group

	2014	2013
J$ interest rates	Increase by 250 bps Decrease by 100 bps	Increase by 250 bps Decrease by 100 bps
US$ interest rates	Increase by 200 bps Decrease by 50 bps	Increase by 200 bps Decrease by 50 bps

	Effect on profit 2014 $'000	Effect on equity 2014 $'000	Effect on profit 2013 $'000	Effect on equity 2013 $'000
Change in basis points:				
Increase in interest rates	(753)	(16,805)	(649)	(17,200)
Decrease in interest rates	178	1,175	162	1,091

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Company

	2014		2013	
US$ interest rates	Increase by 200 bps Decrease by 50 bps		Increase by 200 bps Decrease by 50 bps	
	Effect on profit 2014 $'000	Effect on equity 2014 $'000	Effect on profit 2013 $'000	Effect on equity 2013 $'000
Change in basis points:				
Increase in interest rates	-	(4,396)	-	(4,486)
Decrease in interest rates	-	2,609	-	2,662

(iii) Price risk:

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

The Group's exposure to price risk is represented by the total carrying value of equity investments on the statement of financial position of $1,422,012 (2013: $956,000) for the Group and $1,422,000 (2013: $943,000) for the Company.

Sensitivity to equity price movements

A 10% increase in stock prices at March 31, 2014 would have increased other comprehensive income by $142,200 (2013: $94,300) for the Group and $1,573,000 (2013: $95,600) for the Company; an equal change in the opposite direction would have decreased profit by an equal amount.

28. Financial risk management (cont'd)

(e) Capital management:

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

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

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

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

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

The Commission requires each securities dealer to:

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

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

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

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

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

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

The table below summarises the composition of regulatory capital and the ratios of the Company's subsidiary, which are in compliance with the requirements of the Commission for the year under review:

	Group 2014 $'000	Group 2013 $'000
Tier 1 capital:		
Ordinary shares	779	779
Retained earnings and reserves	6,783	8,469
Total qualifying tier 1 capital	7,562	9,248
Tier 2 capital:		
Redeemable preference shares, being total qualifying tier 2 capital	390	390
Total regulatory capital	7,952	9,638
Total risk-weighted assets	36,892	40,681
Actual ratio of regulatory capital to risk-weighted assets	21.55%	23.69%
Required ratio of regulatory capital to risk-weighted assets	14.00%	14.00%

29. Fair value

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

Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for some of the financial assets held and liabilities issued by the Group. For such financial instruments the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date. The values derived from applying these techniques are affected by the underlying assumptions used concerning both the amounts and timing of future cash flows, the discount rates and other inputs. The degree to which observable market data are used as inputs in estimating fair value determines the level in the three-level fair value hierarchy at which the estimate falls, as follows:

Level 1

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

Level 2

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

Level 3

Included in the Level 3 category are financial assets and liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The company has no financial assets or liabilities in this category.

29. Fair values (cont'd)

(a) Accounting classifications and fair values:

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group

		2014								
		Carrying amount					**Fair value***			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	1,422	12	-	1,434	1,434	-	-	1,434
Foreign currency forward	5	-	-	(9)	-	(9)	-	(9)	-	(9)
Government of Jamaica securities	5	-	14,372	-	-	14,372	-	14,372	-	14,372
Global bonds	5	-	34,392	-	-	34,392	-	34,392	-	34,392
Mutual funds	5	-	16,843	-	-	16,843	-	16,843	-	16,843
Corporate bonds	5	-	27,851	-	-	27,851	-	27,851	-	27,851
Credit link notes	5	-	-	18,782	-	18,782	-	18,782	-	18,782
		-	94,880	18,785	-	113,665	1,434	112,231	-	113,665
Financial assets not measured at fair value:										
Corporate bonds	5	9	-	-	-	9				
Government of Jamaica securities	5	1,244	-	-	-	1,244				
Resale agreements	4	2,298	-	-	-	2,298				
Loans receivable	6	20,312	-	-	-	20,312				
Cash and cash equivalents		4,480	-	-	-	4,480				
Owed by related party		36	-	-	-	36				
Other assets	7	3,452	-	-	-	3,452				
		31,831	-	-	-	31,831				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	5,826	5,826				
Notes payable	16	-	-	-	56,298	56,298				
Owed to related party	15	-	-	-	353	353				
Repurchase agreements	13	-	-	-	44,075	44,075				
		-	-	-	106,552	106,552				

29. Fair values (cont'd)

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

		2013								
		Carrying amount					**Fair value***			
	Notes	Loan and receivables	Available for sale	Fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value:										
Quoted equities	5	-	943	13	-	956	956	-	-	956
Foreign currency forward	5	-	-	5	-	5	-	5	-	5
PNN warrant asset	5		-	149	-	149	-	149	-	149
Global bonds	5	-	34,145	-	-	34,145		34,145	-	34,145
Mutual funds	5	-	28,208	-	-	28,208		28,208	-	28,208
Corporate bonds	5		44,475			44,475		44,475	-	44,475
Credit linked notes	5	-	807	-	-	807	-	807	-	807
		-	108,578	167	-	108,745	956	107,789	-	108,745
Financial assets not measured at fair value:										
Corporate bonds	5	45	-	-	-	45				
Government of Jamaica securities	5	4,302	-	-	-	4,302				
Fixed deposits	5	2,150				2,150				
Resale agreements	4	2,515	-	-	-	2,515				
Loans receivable	6	15,890	-	-	-	15,890				
Cash and cash equivalents		3,558	-	-	-	3,558				
Other assets	7	1,786	-	-	-	1,786				
		30,246	-	-	-	30,246				
Financial liabilities not measured at fair value:										
Other liabilities					1,192	1,192				
Notes payable	16	-	-	-	63,600	63,600				
Credit linked notes	14				1,573	1,573				
Owed to related party	15				329	329				
Repurchase agreements	13	-	-	-	31,370	31,370				
		-	-	-	98,064	98,064				

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)
March 31, 2014

29. Fair values (cont'd)

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

Company

		2014								
		Carrying amount					**Fair value***			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	1,422	-	-	1,422	1,422	-	-	1,422
Government of Jamaica securities	5	-	1,556	-	-	1,556	-	1,556	-	1,556
Global bonds	5	-	25,721	-	-	25,721	-	25,721	-	25,721
Mutual funds	5	-	16,843	-	-	16,843	-	16,843	-	16,843
Corporate bonds	5	-	28,993	-	-	28,993	-	28,993	-	28,993
Credit link notes	5	-	-	18,782	-	18,782	-	18,782	-	18,782
	5	-	74,535	18,782	-	93,317	1,422	91,895	-	93,317
Financial assets not measured at fair value:										
Corporate bonds	5	-	-	-	-	-				
Government of Jamaica securities	5	-	-	-	-	-				
Resale agreements	4	-	-	-	-	-				
Loans receivable	6	9,817	-	-	-	9,817				
Cash and cash equivalents		255	-	-	-	255				
Other assets	7	100	-	-	-	100				
Owed by related party		175	-	-	-	175				
		10,347	-	-	-	10,347				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	101	101				
Note payable	16	-	-	-	48,754	48,754				
Owed to related party	15	-	-	-	2,075	2,075				
Repurchase agreements	13	-	-	-	20,482	20,482				
		-	-	-	71,412	71,412				

29. Fair values (cont'd)

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

		2013								
		Carrying amount					Fair value*			
	Notes	Loan and receivables $'000	Available for sale $'000	Fair value through profit or loss $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets measured at fair value:										
Quoted equities	5	-	943	-	-	943	943	-	-	943
Foreign currency forward		-	-	-	-	-	-	-	-	-
PNN warrant asset		-	-	-		-	-	-		-
Government of Jamaica securities		-	-	-	-	-	-	-	-	-
Global bonds	5	-	12,928	-	-	12,928	-	12,928	-	12,928
Mutual funds	5	-	28,208	-	-	28,208	-	28,208	-	28,208
Corporate bonds	5	-	43,503	-		43,503	-	43,503		43,503
Credit linked notes	5	-	807	-	-	807	-	807	-	807
		-	86,389	-	-	86,389	943	85,446	-	86,389
Financial assets not measured at fair value:										
Corporate bonds		-	-	-	-	-				
Government of Jamaica securities		-	-	-	-	-				
Fixed deposits		-				-				
Resale agreements	4	1,311	-	-	-	1,311				
Loans receivable	6	5,228	-	-	-	5,228				
Cash and cash equivalents		2,021	-	-	-	2,021				
Owed by related party		155	-	-	-	155				
Other assets	7	922	-	-	-	922				
		9,637	-	-	-	9,637				
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	291	291				
Note payable	16	-	-	-	55,298	55,298				
Owed to related party	15	-	-	-	402	402				
Repurchase agreements	13	-	-	-	4,955	4,955				
		-	-	-	60,946	60,946				

30. Earnings per stock unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent, of $3,788,000 (2013: $4,153,000) by the number of ordinary stock units in issue during the year, numbering 294,951,884 (2013: 294,951,884).

31. Distribution to equity holders

	Group and Company	
	2014	2013
	$'000	$'000
Distribution to ordinary shareholders at $0.90 (2013: $0.89) per share	2,651	2,628

32. Lease commitments

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

	Group and Company	
	2014	2013
	$'000	$'000
Within one year	62	36
Subsequent years	32	42
	94	78

33. Subsequent events

(a) Under the terms of a sale and purchase agreement dated April 24, 2014, the Group agreed to acquire 100% of the equity of First Global Financial Services Limited, subject to regulatory approval, for a consideration of J$2,050,000,000 (equivalent to US$18,672,027, at the exchange rate prevailing at US$1:JA$109.7899)

(b) Under an agreement dated May 7, 2014, the group agreed to acquire residential property in Jamaica for a consideration of J$25,000,000 (equivalent to US$227,157, at the exchange rate prevailing at US$1:JA$110.0561)

(c) The company made available 73,937,971 ordinary shares with a price of US$0.14 per share for subscription in a renounceable rights issue of one share for every four shares held by shareholders of the company as at April 30, 2014.