Barita Investments Limited

Financial Statements
30 September 2014

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Independent Auditors' Report

To the Members of
Barita Investments Limited

Report on the Consolidated and Company Stand Alone Financial Statements
We have audited the accompanying consolidated financial statements of Barita Investments Limited and its subsidiary (the Group), set out on pages 1 to 73, which comprise the consolidated statement of financial position as at 30 September 2014 and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the accompanying financial statements of Barita Investments Limited standing alone (the company), which comprise the statement of financial position as at 30 September 2014 and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated and company stand alone financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and company stand alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and company stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and company stand alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated and company stand alone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and company stand alone financial statements.

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

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

In our opinion, the consolidated financial statements of Barita Investments Limited and its subsidiary, and the financial statements of Barita Investments Limited standing alone give a true and fair view of the financial position of the Group and the company as at 30 September 2014, and of their financial performance and cash flows for the year then ended, so far as concerns the members of Barita Investments Limited, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers

Chartered Accountants
12 December 2014
Kingston, Jamaica

Barita Investments Limited

Consolidated Statement of Comprehensive Income

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	2013 $'000
Net Interest Income and Other Revenue			
Interest income		1,015,769	1,025,487
Interest expense		(710,867)	(586,881)
Net interest income		304,902	438,606
Fees and commission income		102,490	89,096
Dividend income		12,104	22,032
Foreign exchange trading and translation gains		105,837	156,748
Gain on sale/(loss) of investments		97,278	(195,968)
Other		2,385	2,186
Net operating revenue		624,996	512,700
Operating Expenses			
Staff costs	6	(238,282)	(216,652)
Administration costs		(220,664)	(218,220)
Impairment of available-for-sale investments		(42,035)	(7,328)
	7	(500,981)	(442,200)
Share of results of investment in associated company	20	(9,956)	-
Profit before Taxation		114,059	70,500
Taxation	8	(43,085)	(222)
Profit for the Year		70,974	70,278
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss -			
Revaluation gains on property plant and equipment, net of taxes		41,293	-
Items that may subsequently be reclassified to profit or loss -			
Unrealised gains/(losses)_ on available- for- sale investments, net of taxes	8	98,671	(178,591)
Net losses /(gains) recycled to profit or loss on disposal, maturity, and impairment of available-for-sale investments, net of taxes	8	72,846	(128,314)
		212,810	(306,905)
Total Comprehensive Income		283,784	(236,627)
Basic Earnings Per Share	15	$0.16	$0.16

Barita Investments Limited

Consolidated Statement of Financial Position

30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000	Restated 2012 $'000
ASSETS				
Cash and bank balances	10	76,760	92,145	122,144
Securities purchased under resale agreements	11	1,506,259	1,169,371	1,308,449
Marketable securities	12	7,079,559	7,209,846	6,270,441
Pledged assets	13	3,833,787	3,898,350	5,102,514
Receivables	14	510,995	430,128	418,754
Loans receivable		199,470	117,543	106,505
Due from related parties	16	13,615	6,907	13,751
Property, plant and equipment	17	232,160	177,470	169,667
Intangible assets	18	84,740	69,093	50,425
Investments	19	2	2	2
Investment in associated company	20	18,177	-	-
Total assets		13,555,524	13,170,855	13,562,652
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Bank overdraft	10	3,167	17,501	2,851
Securities sold under repurchase agreements		11,590,978	11,643,482	11,287,523
Payables	22	75,263	64,734	97,458
Due to related parties		-	-	582
Redeemable preference shares		-	-	206,507
Convertible preference shares		-	-	3,460
Taxation		8,452	14,249	90,714
Deferred tax liabilities	21	204,334	27,133	172,184
Total liabilities		11,882,194	11,767,099	11,861,279
Shareholders' Equity				
Share capital	23	754,994	754,994	765,154
Treasury shares	23	(10,979)	(10,145)	(10,145)
Capital reserve	24	69,799	28,506	28,506
Fair value reserve	25	57,916	(113,601)	193,304
Capital redemption reserve	26	220,127	220,127	-
Retained earnings		581,473	523,875	724,554
Total shareholders' equity		1,673,330	1,403,756	1,701,373
Total liabilities and shareholders' equity		13,555,524	13,170,855	13,562,652

Approved for issue by the Board of Directors on 12 December 2014 and signed on its behalf by:

Rita Humphries-Lewin	Director	Carl Domville	Director

Barita Investments Limited

Consolidated Statement of Changes in Shareholders' Equity

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital $'000	Treasury Shares $'000	Capital Reserve $'000	Fair Value Reserve $'000	Capital Redemption Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 September 2012, as restated	765,154	(10,145)	28,506	193,304	-	724,554	1,701,373
Total comprehensive income							
Profit for the year	-	-	-	-	-	70,278	70,278
Other comprehensive income	-	-	-	(306,905)	-	-	(306,905)
	-		-	(306,905)	-	70,278	(236,627)
Transactions with owners:							
Redemption of convertible preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	220,127	(220,127)	-
Balance at 30 September 2013, as restated	754,994	(10,145)	28,506	(113,601)	220,127	523,875	1,403,756
Total comprehensive income							
Profit for the year	-	-	-	-	-	70,974	70,974
Other comprehensive income	-	-	41,293	171,517	-	-	212,810
	-	-	41,293	171,517	-	70,974	283,784
Transactions with owners:							
Dividends paid	-	-	-	-	-	(13,376)	(13,376)
Purchase of treasury shares	-	(834)	-	-	-	-	(834)
	-	(834)	-	-	-	-	(14,210)
Balance at 30 September 2014	754,994	(10,979)	69,799	57,916	220,127	581,473	1,673,330

Barita Investments Limited

Consolidated Statement of Cash Flows

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	2013 $'000
Cash Flows from Operating Activities			
Net profit		70,974	70,278
Adjusted for:			
Depreciation and amortisation		16,538	15,967
Effect of exchange gain on foreign balances		(82,389)	(130,352)
Impairment of available-for-sale investments		42,035	7,328
Interest income		(1,015,769)	(1,025,487)
Interest expense		710,867	586,881
Share of results of investment in associated company	20	9,956	-
Profit on disposal of property, plant and equipment		-	(2,006)
Taxation expense	8	43,085	222
		(204,703)	(477,169)
Changes in operating assets and liabilities:			
Marketable securities, net		752,519	460,024
Securities purchased under resale agreements, net		(275,190)	205,509
Securities sold under repurchase agreements, net		(409,118)	(130,641)
Receivables		(46,570)	(11,374)
Loans receivable, net		(81,927)	(11,038)
Payables		10,530	(34,037)
Due from related companies		(6,708)	6,263
		(261,168)	7,537
Interest received		1,034,666	934,089
Interest paid		(693,419)	(594,584)
Income tax paid		(20,606)	(72,868)
Cash provided by operating activities		59,473	274,174
Cash Flows from Investing Activities			
Proceeds from the disposal of property, plant and equipment	20	-	2,006
Acquisition of shares in associated company		(28,133)	-
Purchase of property, plant and equipment	17	(6,454)	(21,727)
Purchase of intangible asset	18	(18,481)	(20,725)
Cash used in investing activities		(53,068)	(40,446)
Cash Flows from Financing Activities			
Redemption of preference shares		-	(220,127)
Interest paid on preference shares		-	(8,261)
Dividends paid		(13,376)	(50,830)
Cash used in financing activities		(13,376)	(279,218)
Effect of exchange rate on cash and cash equivalents		5,920	841
Decrease in net cash and cash equivalents		(1,051)	(44,649)
Net cash and cash equivalents at beginning of year		74,644	119,293
Net Cash and Cash Equivalents at End of Year	10	73,593	74,644

Barita Investments Limited

Company Statement of Comprehensive Income

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	2013 $'000
Net Interest Income and Other Revenue			
Interest income		1,011,175	1,016,846
Interest expense		(710,949)	(584,973)
Net interest income		300,226	431,873
Fees and commission income		23,075	23,912
Dividend income		12,104	19,025
Foreign exchange trading and translation gains		105,837	156,748
Gain/(loss) on sale of investments		97,604	(194,606)
Other		646	4,715
Net operating revenue		539,492	441,667
Operating Expenses			
Staff costs	6	(213,889)	(195,797)
Administration costs		(204,846)	(200,979)
Impairment of available-for-sale investments		(37,231)	(7,328)
	7	(455,966)	(404,104)
Profit before Taxation		83,526	37,563
Taxation	8	(27,974)	7,449
Profit for the Year	9	55,552	45,012
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss -			
Revaluation gains on property plant and equipment, net of taxes		41,293	-
Items that may subsequently be reclassified to profit or loss -			
Unrealised gains /(losses) on available- for- sale investments net of taxes	8	92,146	(173,892)
Net losses /(gains) recycled to profit or loss on disposal, maturity and impairment of available -for- sale investments, net of taxes	8	68,095	(127,456)
		201,534	(301,348)
Total Comprehensive Income		257,086	(256,336)

Barita Investments Limited

Company Statement of Financial Position

30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000	Restated 2012 $'000
ASSETS				
Cash and bank balances	10	75,764	90,386	121,650
Securities purchased under resale agreements	11	1,508,046	1,169,371	1,308,449
Marketable securities	12	6,895,738	7,106,178	6,205,668
Pledged assets	13	3,833,787	3,898,350	5,102,514
Receivables	14	503,059	420,045	411,687
Loans receivable		199,470	117,543	174,544
Due from related parties	16	1,510	1,299	7,845
Property, plant and equipment	17	228,619	172,910	168,568
Intangible assets	18	84,740	69,093	50,425
Investment	19	2	2	2
Investment in associated company	20	28,133	-	
Investment in subsidiary		85,700	85,700	85,700
Total assets		13,444,568	13,130,877	13,637,052
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Bank overdraft	10	1,335	17,501	1,642
Securities sold under repurchase agreements		11,592,765	11,694,801	11,341,845
Payables	22	65,274	53,990	80,581
Due to related parties		-	-	582
Redeemable preference shares		-	-	299,970
Convertible preference shares		-	-	3,460
Taxation		-	-	82,132
Deferred tax liabilities	21	203,822	26,923	171,852
Total liabilities		11,863,196	11,793,215	11,982,064
Shareholders' Equity				
Share capital	23	754,994	754,994	765,154
Treasury shares	23	(9,500)	(9,500)	(9,500)
Capital reserve	24	131,654	90,361	90,361
Fair value reserve	25	53,509	(106,732)	194,616
Capital redemption reserve	26	313,590	313,590	-
Retained earnings		337,125	294,949	614,357
Total shareholders' equity		1,581,372	1,337,662	1,654,988
Total liabilities and shareholders' equity		13,444,568	13,130,877	13,637,052

Approved for issue by the Board of Directors on 12 December 2014 and signed on its behalf by:

Rita Humphries-Lewin, Director

Carl Domville, Director

Barita Investments Limited

Company Statement of Changes in Shareholders' Equity

Year ended 30 September 2014

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital	Treasury Shares	Capital Reserve	Fair Value Reserve	Capital Redemption Reserve Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2012, as restated	765,154	(9,500)	90,361	194,616	-	614,357	1,654,988
Total Comprehensive income							
Profit for the year	-	-	-	-	-	45,012	45,012
Other comprehensive income	-	-	-	(301,348)	-	-	(301,348)
	-	-	-	(301,348)	-	45,012	(256,336)
Transactions with owners:							
Redemption of preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	313,590	(313,590)	-
Balance at 30 September 2013, as restated	754,994	(9,500)	90,361	(106,732)	313,590	294,949	1,337,662
Total comprehensive income							
Profit for the year	-	-	-	-	-	55,552	55,552
Other comprehensive income	-	-	41,293	160,241	-	-	201,534
	-	-	41,293	160,241	-	55,552	257,086
Transactions with owners:							
Dividends paid	-	-	-	-	-	(13,376)	(13,376)
Balance at 30 September 2014	754,994	(9,500)	131,654	53,509	313,590	337,125	1,581,372

Barita Investments Limited

Company Statement of Cash Flows

Year ended 30 September 2013

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	2013 $'000
Cash Flows from Operating Activities			
Net profit		55,552	45,012
Adjusted for:			
Depreciation and amortisation		15,483	14,747
Effect of exchange gain on foreign balances		(82,389)	(130,352)
Impairment of available-for-sale investments		37,231	7,328
Interest income		(1,011,175)	(1,016,846)
Interest expense		710,949	584,973
Income tax expense	8	27,974	(7,449)
Profit on sale of property, plant and equipment		-	(2,006)
		(246,375)	(504,593)
Changes in operating assets and liabilities:			
Marketable securities, net		836,867	503,268
Securities purchased under resale agreements, net		(276,978)	205,509
Securities sold under repurchase agreements, net		(458,650)	(133,644)
Receivables		(48,717)	(8,358)
Loans receivable, net		(81,927)	57,001
Payables		11,286	(26,588)
Due from related companies		(211)	5,964
		(264,705)	98,559
Interest received		1,020,228	925,448
Interest paid		(693,501)	(588,873)
Taxation paid		-	(70,864)
Cash provided by operating activities		62,022	364,270
Cash Flows from Investing Activities			
Proceeds from the disposal of property, plant and equipment		-	2,006
Acquisition of shares in associated company	20	(28,133)	-
Purchase of property, plant and equipment	17	(6,418)	(17,031)
Purchase of intangible asset	18	(18,481)	(20,725)
Cash used in investing activities		(53,032)	(35,750)
Cash Flows from Financing Activities			
Redemption of preference shares		-	(313,590)
Interest paid on preference shares		-	(12,064)
Dividends paid		(13,376)	(50,830)
Cash used in financing activities		(13,376)	(376,484)
Effect of exchange rate on cash and cash equivalents		5,930	841
Increase/(decrease) in net cash and cash equivalents		1,544	(47,123)
Net cash and cash equivalents at beginning of year		72,885	120,008
Net Cash and Cash Equivalents at End of Year	10	74,429	72,885

1. Identification, Regulation and Licence

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

The company is a licensed securities dealer and has primary dealer status from the Bank of Jamaica (BoJ). It is licensed under the Securities Act and is regulated by the Financial Services Commission (FSC). The company's ordinary shares are listed on the Jamaica Stock Exchange (JSE).

During the year, the company acquired shares in GSW Animation Limited (GSW), a private company incorporated in Jamaica. The company has significant influence over the activities of GSW, resulting in GSW being classified as an associated company.

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

2. Significant Accounting Policies

(a) Basis of preparation

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

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

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

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

- **IFRS 10, Consolidated Financial Statements** (effective for annual periods beginning on or after 1 January 2013) This standard replaces IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation-Special Purpose Entities. The objective of the standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. In applying the standard, the Group assessed its relationship with the various unit trusts managed by BUTM to determine whether BUTM and the Group act as principal or agent in the relationship. The Group concluded that it acts as an agent (see Note 4 (a)) and that no consolidation of the unit trusts is required. Consequently, there was no impact to the Group on adoption of IFRS 10.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **IFRS 12, Disclosure of Interests in Other Entities** (effective for annual periods beginning on or after 1 January 2013). This standard applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities; and the effects of those interests on its financial position, financial performance and cash flows. The adoption of this standard has resulted in expanded disclosures in the financial statements.

- **IFRS 13, 'Fair Value Measurement', (effective for annual periods beginning on or after 1 January 2013). IFRS 13** aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The requirements are similar to those in *IFRS 7, 'Financial instruments: Disclosures'*, but apply to all assets and liabilities measured at fair value, not just financial assets and liabilities. The adoption of this standard has resulted in expanded disclosures in the financial statements.

- **IAS 28 (Revised), 'Investments in Associates and Joint Ventures'**, (effective for annual periods beginning on or after 1 January 2013). IAS 28 (Revised) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. The Group has equity accounted for the associated company in which it acquired an interest during the year.

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

The Group has assessed the relevance of all other new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

- **IFRS 9, 'Financial instruments'. (effective for annual periods beginning on or after 1 January 2018).** The standard addresses the principles for the financial reporting of financial assets and financial liabilities to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The standard will eventually replace IAS 39 - Financial Instruments: Recognition and Measurement.

  The standard is mandatory for accounting periods beginning on or after 1 January 2018, however earlier adoption is permitted. Management is assessing the impact of adoption of the standard on the Group.

- **IAS 32 (Amendment), 'Financial Instruments: Presentation'**, (effective for annual periods beginning on or after 1 January 2014). This amendment clarifies the requirements for offsetting financial instruments and address inconsistencies in current practice when applying the offsetting criteria in IAS 32 'Financial Instruments: Presentation'. The Group will apply the standard effective 1 October 2014 but does not expect any significant impact from its adoption.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **IAS 36 (Amendment), 'Recoverable Amount Disclosures for Non-Financial Assets', (effective for annual periods beginning on or after 1 January 2014).** The amendments to IAS 36 require disclosure of the recoverable amount of an individual asset (including goodwill) or a cash-generating unit and additional information about the fair value less costs of disposal for which an impairment loss has been recognised or reversed during the reporting period. The requirement to disclose the recoverable amount of each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite life intangible assets allocated to that unit is significant when compared to the total carrying amount of goodwill or indefinite life intangible assets has been removed. The future adoption of these amendments may result in additional disclosure relating to impairments or reversals of impairments. The Group does not expect any significant impact from adoption of this standard.

- **Amendment to IFRS 10, 12 and IAS 27 on consolidation for investment entities.** These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made to IFRS 12 to introduce disclosures that an investment entity needs to make. The Group does not expect any significant impact from adoption of this standard.

- **IFRIC 21, 'Levies',** (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 addresses the accounting for a liability to pay a levy recognised in accordance with IAS 37, 'Provisions', and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of IAS 12, 'Income taxes'. IFRIC 21 indicates that the obligating event that gives rise to a liability to pay a levy is the event identified by the legislation that triggers the obligation to pay the levy. It concludes that the fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern principle, does not create an obligation to pay a levy that will arise from operating in the future. Accordingly, a liability to pay a levy is recognised when the obligating event occurs. This might arise at a point in time or progressively over time. The interpretation also requires that an obligation to pay a levy triggered by a minimum threshold is recognised when the threshold is reached. The Group is currently assessing the impact of the adoption of this standard, particularly as it relates to accounting for the asset tax.

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Acquisitions from third parties

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

Acquisitions involving entities under common control

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

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

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

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

2. Significant Accounting Policies (Continued)

(c) Associated companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Regardless of the percentage shareholding and voting rights referenced above, the also Group considers participation on the Board of Directors, and its consequent ability to influence financial and operating decisions as indicators of significant influence. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The results of associates with reporting year ends that are different from the Group are determined by prorating the results for the accounting periods for which financial information is available to ensure that a full year of operations is accounted for, where applicable.

During the current financial year, the Group acquired an 11.84% interest in GSW Animation Limited, a company incorporated in Jamaica

(d) Segment reporting

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

2. Significant Accounting Policies (Continued)

(e) Foreign currency translation

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

Translations and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

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

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

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

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

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

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

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

2. Significant Accounting Policies (Continued)

(f) Financial instruments (continued)

Financial assets (continued)

Available-for-sale

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

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

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

Financial liabilities

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

(g) Interest income and expense

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

(h) Fees and commission income

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

(i) Dividend income

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

2. Significant Accounting Policies (Continued)

(j) Gain or loss on sale of investment

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

When available-for-sale securities are disposed of, the related accumulated unrealised gains or losses included in the fair value reserve are recognised in profit or loss for the year, by recycling those gains or losses through other comprehensive income

(k) Income taxes

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

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

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

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

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

(l) Property, plant and equipment

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

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

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

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

2. Significant Accounting Policies (Continued)

(l) Property, plant and equipment (continued)

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

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

(m) Receivables

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

(n) Repurchase and reverse repurchase agreements

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

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

(o) Payables

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

(p) Fiduciary activities

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

(q) Employee benefits

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

2. Significant Accounting Policies (Continued)

(r) Intangible assets

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

(s) Cash and cash equivalents

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

(t) Related party balances and transactions

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

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

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

3. Financial Risk Management

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

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

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

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

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

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

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

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

3. Financial Risk Management (Continued)

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is a significant risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes as documented below. The Group's and company's maximum exposure to credit risk equals the carrying amounts on the statement of financial position, for the financial assets which expose the Group and company to credit risk.

Credit review process

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

(i) Loans
In addition to assessments of earnings and cash flows, management obtains collateral in the form of hypothecated securities sold under repurchase agreements or units held in any of the unit trusts managed by BUTM. The Group seeks to ensure that the value hypothecated securities exceeds the loan amount. Loans receivable are due within one year.

(ii) Investments and cash
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality, and Government of Jamaica and Bank of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations. The concentration of credit risk associated with the Group's investment portfolio is shown below, under the heading, Debt securities concentration

Collateral and other credit enhancements

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

The main types of collateral obtained are as follows:

(i) For loans receivable - see above.

(ii) For securities purchased under resale agreements – GOJ or BOJ investment securities

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

Impairment

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

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment (continued)
Based on the foregoing considerations, there were no financial assets which are exposed to credit risk, which were deemed to be impaired. Impairment charges below were however recognised for equities (no exposure to credit risk), which were deemed to be impaired at the end of the financial year.

	The Group		The Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Investment securities (quoted equities)	42,035	7,328	37,231	7,328

There were no other financial assets that were deemed to be impaired.

Debt securities concentration

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

	The Group		The Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Government of Jamaica and Bank of Jamaica	9,527,839	10,101,904	9,453,381	10,048,449
Financial institutions	1,497,463	1,074,866	1,497,069	1,074,866
Corporate	775,227	526,511	775,227	526,511
	11,800,529	11,703,281	11,725,677	11,649,826
Accrued interest	252,898	272,829	261,977	271,796
	12,053,427	11,976,110	11,987,654	11,921,622

3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

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

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

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

(iii) Maintaining committed lines of credit.

(iv) Optimising cash returns on investments.

(v) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements.

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

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

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

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

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial assets and liabilities cash flows

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

	The Group						
	2014						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	3,167	-	-	-	-	-	3,167
Securities sold under repurchase agreements	6,332,896	3,940,172	1,400,672	5,326	-	-	11,679,066
Payables	75,263	-	-	-	-	-	75,263
Total financial liabilities (based on contractual maturity)	6,411,326	3,940,172	1,400,672	5,326	-	-	11,757,496
Total financial liabilities (based on expected maturity)	613,821	492,539	973,387	3,122,989	8,117,079	-	13,319,816
Total financial assets (based on expected maturity)	1,574,221	701,669	1,018,597	9,622,239	12,101,892	366,178	25,384,797

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Group						
	2013						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	17,501						17,501
Securities sold under repurchase agreements	7,221,677	3,122,765	2,041,338	-	4,001	-	12,389,781
Payables	58,928	-	-	-	-	-	58,928
Total financial liabilities (based on contractual maturity)	7,298,106	3,122,765	2,041,338	-	4,001	-	12,466,210
Total financial liabilities (based on expected maturity)	785,551	1,768,186	2,336,003	8,702,736	4,001	17,501	13,613,978
Total financial assets (based on expected maturity)	1,336,906	2,338,604	2,806,325	2,385,604	14,813,207	301,457	23,982,103

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company						
	2014						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	1,335	-	-	-	-	-	1,335
Securities sold under repurchase agreements	6,334,683	3,940,172	1,400,672	5,326	-	-	11,680,853
Payables	65,274	-	-	-	-	-	65,274
Total financial liabilities (based on contractual maturity)	6,401,292	3,940,172	1,400,672	5,326	-	-	11,747,462
Total financial liabilities (based on expected maturity)	625,642	559,148	973,387	3,122,989	8,117,079		13,398,246
Total financial assets (based on expected maturity)	1,649,908	684,548	1,218,067	9,622,239	12,101,892	249,917	25,526,572

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

	The Company						
	2013						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No specific maturity $'000	Total $'000
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,221,677	3,122,765	2,041,338	-	4,001	-	12,389,781
Payables	50,075	-	-	-	-	-	50,075
Total financial liabilities (based on contractual maturity)	7,289,253	3,122,765	2,041,338	-	4,001	-	12,457,357
Total financial liabilities (based on expected maturity)	776,109	1,768,186	2,336,003	8,702,736	4,001	17,501	13,604,536
Total financial assets (based on expected maturity)	1,319,456	2,338,604	2,806,325	2,338,604	14,733,207	252,277	23,788,473

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

The carrying amount for securities sold under repurchase agreement due within twelve months equals $11,590,978,000 (2013 - $11,643,482,000) for the Group and $11,592,765,000 (2013 -$11,694,801,000) for the company.

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3. Financial Risk Management (Continued)

(c) Market risk

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

(i) Currency risk

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

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

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

	The Group				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2014		
Financial Assets					
Cash and bank balances	11	42,085	5,999	28,665	76,760
Securities purchased under resale agreements	-	479,036	46,116	981,107	1,506,259
Marketable securities and pledged assets	211,457	4,271,760	16,089	6,414,040	10,913,346
Receivables	-	-	-	34,226	34,226
Loans receivable	-	-	-	199,470	199,470
Due from related parties	-	-	-	13,615	13,615
Total financial assets	211,468	4,792,881	68,204	7,671,123	12,743,676
Financial Liabilities					
Bank overdraft	-	1,081	-	2,086	3,167
Securities sold under repurchase agreements	-	3,505,746	165,734	7,919,498	11,590,978
Payables	-	-	-	70,937	70,937
Total financial liabilities	-	3,506,827	165,734	7,992,521	11,665,082
Net financial position	211,468	1,286,054	(97,530)	(321,398)	1,078,594

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3. Financial Risk Management (Continued)

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

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

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3. Financial Risk Management (Continued)

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

	The Company				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2014		
Financial Assets					
Cash and bank balances	11	42,085	5,999	27,669	75,764
Securities purchased under resale agreements	-	479,036	46,116	982,894	1,508,046
Marketable securities and pledged assets	211,457	4,266,837	16,089	6,235,142	10,729,525
Receivables	-	-	-	29,210	29,210
Loans receivable	-	-	-	199,470	199,470
Due from related parties	-	-	-	1,510	1,510
Total financial assets	211,468	4,787,958	68,204	7,475,895	12,543,525
Financial Liabilities					
Bank overdraft	-	1,081	-	254	1,335
Securities sold under repurchase agreements	-	3,505,746	165,734	7,921,285	11,592,765
Payables	-	-	-	60,948	60,948
Total financial liabilities	-	3,506,827	165,734	7,982,487	11,655,048
Net financial position	211,468	1,281,131	(97,530)	(506,592)	888,477

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3. Financial Risk Management (Continued)

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

	The Company				
	Euro J$'000	**US$ J$'000**	**GBP J$'000**	**Jamaican$ J$'000**	**Total J$'000**
			2013		
Financial Assets					
Cash and bank balances	-	2,758	-	87,628	90,386
Securities purchased under resale agreements	-	856,160	43,690	269,521	1,169,371
Marketable securities and pledged assets	202,230	4,031,964	-	6,770,334	11,004,528
Receivables	-	-	-	29,553	29,553
Loans receivable	-	-	-	117,543	117,543
Due from related parties	-	-	-	1,299	1,299
Total financial assets	202,230	4,890,882	43,690	7,275,878	12,412,680
Financial Liabilities					
Bank overdraft	-	-	-	17,501	17,501
Securities sold under repurchase agreements	-	4,175,757	156,225	7,362,819	11,694,801
Payables	-	-	-	50,075	50,075
Total financial liabilities	-	4,175,757	156,225	7,430,395	11,762,377
Net financial position	202,230	715,125	(112,535)	(154,517)	650,303

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rate below represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% devaluation and a 1% revaluation in the value of the Jamaican dollar (JMD) (2013 - 10% devaluation and 1% revaluation). The sensitivity analysis includes cash and bank balances, securities purchased under resale agreements, marketable securities and securities sold under repurchase agreements.

The Group and Company

	% Change in Currency Rate 2014	Effect on Profit before Tax 2014 $'000	Effect on other components of Equity 2014 $'000	% Change in Currency Rate 2013	Effect on Profit before Tax 2013 $'000	Effect on other component of Equity 2013 $'000
Currency:						
EURO (devaluation of JMD)	10	21,147	-	10	20,223	-
EURO (revaluation of JMD)	1	(2,115)	-	1	(2,022)	-
USD (devaluation of JMD)	10	126,617	1,988	10	71,512	-
USD (revaluation of JMD)	1	13,059	(198)	1	(7,151)	-
GBP (devaluation of JMD)	10	9,753	-	10	10,335	-
GBP (revaluation of JMD)	1	(975)	-	1	(1,033)	-

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3. Financial Risk Management (Continued)

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

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

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

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

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

	The Group						
	2014						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	4,451	-	-	-	-	72,309	76,760
Securities purchased under resale agreements	986,955	373,363	145,941	-	-	-	1,506,259
Marketable securities and pledged assets	1,186,466	476,881	949,598	2,653,994	5,278,229	366,178	10,913,346
Receivables	-	-	-	-	-	34,226	34,226
Loans receivable	199,470	-	-	-	-	-	199,470
Due from related parties	-	-	-	-	-	13,615	13,615
Total financial assets	2,379,342	850,244	1,095,539	2,653,994	5,278,229	486,328	12,743,676
Financial Liabilities							
Bank overdraft	1,832	-	-	-	-	1,335	3,167
Securities sold under repurchase agreements	6,315,297	3,894,026	1,376,633	5,022	-	-	11,590,978
Payables	-	-	-	-	-	70,937	70,937
Total financial liabilities	6,317,129	3,894,026	1,376,633	5,022	-	72,272	11,665,082
Total interest repricing gap	(3,937,787)	(3,043,782)	(281,094)	2,648,972	5,278,229	414,056	1,078,594
Cumulative gap	(3,937,787)	(6,981,569)	(7,262,663)	(4,613,691)	664,538	1,078,594	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	2013						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	92,145	-	-	-	-	-	92,145
Securities purchased under resale agreements	973,513	116,093	79,765	-	-	-	1,169,371
Marketable securities and pledged assets	273,476	108,543	147,593	1,600,864	8,676,263	301,457	11,108,196
Receivables	-	-	-	-	-	32,648	32,648
Loans receivable	117,543	-	-	-	-	-	117,543
Due from related parties	-	-	-	-	-	6,907	6,907
Total financial assets	1,456,677	224,636	227,358	1,600,864	8,676,263	341,012	12,526,810
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,031,658	2,915,368	1,696,456	-	-	-	11,643,482
Payables	-	-	-	-	-	58,928	58,928
Total financial liabilities	7,049,159	2,915,368	1,696,456	-	-	58,928	11,719,911
Total interest repricing gap	(5,592,482)	(2,690,732)	(1,469,098)	1,600,864	8,676,263	282,084	806,899
Cumulative gap	(5,592,482)	(8,283,214)	(9,752,312)	(8,151,448)	524,815	806,899	

Barita Investments Limited

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	2014						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	3,455	-	-	-	-	72,309	75,764
Securities purchased under resale agreements	988,742	373,363	145,941	-	-	-	1,508,046
Marketable securities and pledged assets	1,180,367	476,881	949,598	2,607,950	5,264,812	249,917	10,729,525
Receivables	-	-	-	-	-	29,210	29,210
Loans receivable	199,470	-	-	-	-	-	199,470
Due from related parties	-	-	-	-	-	1,510	1,510
Total financial assets	2,372,034	850,244	1,095,539	2,607,950	5,264,812	352,946	12,543,525
Financial Liabilities							
Bank overdraft	-	-	-	-	-	1,335	1,335
Securities sold under repurchase agreements	6,317,084	3,894,026	1,376,633	5,022	-	-	11,592,765
Payables	-	-	-	-	-	60,948	60,948
Total financial liabilities	6,317,084	3,894,026	1,376,633	5,022	-	62,283	11,655,048
Total interest repricing gap	(3,945,050)	(3,043,782)	(281,094)	2,602,928	5,264,812	290,663	888,477
Cumulative gap	(3,945,050)	(6,988,832)	(7,269,926)	(4,666,998)	597,814	888,477	

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3. Financial Risk Management (Continued)

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

	The Company						
	2013						
	Immediately rate sensitive $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non- rate sensitive $'000	Total $'000
Financial Assets							
Cash and bank balances	90,386	-	-	-	-	-	90,386
Securities purchased under resale agreements	973,513	116,093	79,765	-	-	-	1,169,371
Marketable securities and pledged assets	273,476	108,543	147,593	1,553,864	8,668,775	252,277	11,004,528
Receivables	-	-	-	-	-	29,553	29,553
Loans receivable	117,543	-	-	-	-	-	117,543
Due from related parties	-	-	-	-	-	1,299	1,299
Total financial assets	1,454,918	224,636	227,358	1,553,864	8,668,775	283,129	12,412,680
Financial Liabilities							
Bank overdraft	17,501	-	-	-	-	-	17,501
Securities sold under repurchase agreements	7,031,658	2,915,368	1,747,775	-	-	-	11,694,801
Payables	-	-	-	-	-	50,075	50,075
Total financial liabilities	7,049,159	2,915,368	1,747,775	-	-	50,075	11,762,377
Total interest repricing gap	(5,594,241)	(2,690,732)	(1,520,417)	1,553,864	8,668,775	233,054	650,303
Cumulative gap	(5,594,241)	(8,284,973)	(9,805,390)	(8,251,526)	417,249	650,303	

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3. Financial Risk Management (Continued)

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

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

	The Group and Company					
	2014					
	Immediately rate sensitive	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Average
	%	%	%	%	%	%
Marketable securities denominated in Ja$	8.75	10.78	3.67	8.11	10.09	9.31
Marketable securities denominated in US$	2.45	-	9.11	7.72	8.15	8.00
Marketable securities denominated in EURO	-	-	-	10.50	-	10.50
Securities purchased under resale agreements-denominated in Ja$	8.46	8.42	-	-	-	8.46
Securities purchased under resale agreements-denominated in US$	2.71	3.05	-	-	-	2.82
Securities purchased under resale agreements-denominated in GBP		1.51	-	-	-	1.51
Bank overdraft	17.85	-	-	-	-	17.85
Securities sold under repurchase agreements- denominated in Ja$	7.68	7.81	5.89	-	-	7.57
Securities sold under repurchase agreements- denominated in US$	2.37	2.47	3.07	-	-	2.50
Securities sold under repurchase agreements- denominated in GBP	1.33	1.41	1.40	-	-	1.38

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

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3. Financial Risk Management (Continued)

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

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

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

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

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3. Financial Risk Management (Continued)

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

Interest rate sensitivity

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

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

Change in basis points:	Effect on Profit before Taxation	Effect on Other Components of Equity	Effect on Profit before Taxation	Effect on Other Components of Equity
JMD/USD	2014 $'000	2014 $'000	2013 $'000	2013 $'000
		The Group		
-100 /-50 (2013: -100/-100)	(44,776)	446,059	(11,941)	513,399
+250/+200 (2013: +400/+400)	18,907	(1,815,739)	47,766	(1,629,245)
		The Company		
Change in basis points:				
-100 /-50 (2013: -100/-100)	(44,776)	446,813	(11,599)	512,534
+250/+200 (2013: +400/+400)	17,910	(1,706,872)	46,394	(1,626,314)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(iii) Price risk

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

The table below summarises the impact of increases/decreases on the Group's and company's net other comprehensive income (before taxation) resulting from a reasonably possible change in market prices. There would be no impact on profit before taxation as the equities are classified as available-for-sale. The analysis is based on the assumption that the equity and unit trust prices had increased/decreased by 5% (2013 – 5%).

	Effect on other Comprehensive Income before Taxation 2014 $'000	Effect on other Comprehensive Income before Taxation 2013 $'000
	The Group	
Change in index:		
+5% (2013: + 5%)	18,309	15,073
-5% (2013: – 5%)	(18,309)	(15,073)
	The Company	
Change in index:		
+5% (2013: + 5%)	12,496	12,613
-5 %(2013: – 5%)	(12,496)	(12,613)

(d) Capital management

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

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

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

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

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

3. Financial Risk Management (Continued)

(d) Capital management (continued)

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

The FSC requires each bank or banking group to:

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

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

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

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

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

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

As at the reporting date, the Group was in compliance with all of the externally imposed capital requirements to which they are subject.

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3. Financial Risk Management (Continued)

(e) Fair values of financial instruments

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

The financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:
(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

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

	The Group		
	2014		
At 30 September 2014	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**
Available-for-sale financial assets -			
Equity securities	305,669	60,509	366,178
Debt securities	-	10,495,867	10,495,867
	305,669	10,556,376	10,862,045
	2013		
At 30 September 2013	**Level 1 $'000**	**Level 2 $'000**	**Total $'000**
Available-for-sale financial assets -			
Equity securities	294,629	6,828	301,457
Debt securities	-	10,755,382	10,755,382
	294,629	10,762,210	11,056,839

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3. Financial Risk Management (Continued)

(e) Fair values of financial instruments (continued)

	The Company		
	2014		
At 30 September 2014	**Level 1 $'000**	**Level 2 $'000**	**Total $000**
Available-for-sale financial assets -			
Equity securities	249,917	-	249,917
Debt securities	-	10,428,307	10,428,307
	249,917	10,428,307	10,678,224

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

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

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

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

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

(iv) The fair value of securities sold under agreements to repurchase is assumed to approximate to their carrying amounts, due to the short term maturity on these instruments.

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

In the process of applying the Group's accounting policies, management has made the following judgement that could cause a significant impact on the amounts recognised in the financial statements.

Determination of whether or not Barita Unit Trust Management Company Limited and the Group act as principal or agent in the management of various unit trusts

IFRS 10, Consolidated Financial Statements, which was adopted by the Group on 1 October 2014, resulted in the Group assessing its relationship (to determine whether they act as principal or agent) with the various unit trusts which it manages. Consistent with the application guidance of IFRS 10, the Group considered the following criteria in making its determination.

(i) The scope of the fund manager's authority;
(ii) The rights of others in managing the fund, in particular, the right to unilaterally remove the fund manager, without cause;
(iii) The Group's remuneration and exposure to variability of returns, in relation to its holdings in the various unit trusts; and
(iv) The Group's ability to use its power to affect the returns made by the unit trusts.

The Group considered that all criteria had to be substantively met in order for the Group to be considered a principal, thereby requiring consolidation of the unit trusts.

The Group concluded that criteria (i) and (iv) above were met.

In assessing criterion ii, the Group concluded that Trustees of the unit trusts, First Caribbean International Bank (FCIB) under the Trust Deeds, had sufficient rights to remove them as fund managers. In assessing criterion iii, the Group also concluded that its remuneration for its services were consistent in nature and amount, for services of that nature and that, based on its holdings in the various unit trusts, the Group was not exposed to variability of returns, as envisaged by the standard.

Based on the conclusions arrived at in the previous paragraph, the Group concluded that it was acting in the capacity of an agent for the unit trusts and therefore also concluded that the unit trusts should not be consolidated in the financial statement of the Group, or Barita Unit Trusts Management Company Limited, standing alone.

Impairment of available-for-sale equity investments

In assessing the impairment of its available-for-sale equity investments, the Group exercises its judgement and uses certain benchmarks to define a significant or prolonged decline in the value of its investments. The Group has established a decline in value of 40% below cost, or a consecutive 12 month decline in value below cost as its benchmarks for significant or prolonged.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

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

Impairment of Investments in Associated Company

The Group uses the indicators as prescribed by IAS 39 to determine whether or not its investment in associated company is impaired. In making its assessment, the Group considered that the Group has invested in an entity which is a start-up entity, providing services to both developed markets (Central and Latin America) and newly developing markets (The Caribbean). The Group is of the view that the performance to date is reflective of what is expected of entities of a similar nature, at that stage of growth and is of the view that the losses are not indicative of impairment. There Group has therefore recorded no charge for impairment.

(b) Key sources of estimation uncertainty

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

Taxes

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

Expected maturity dates for financial assets and liabilities

In disclosing its financial risk management, and considering its management of liquidity risk, the Group discloses the expected maturity of its financial assets and financial liabilities. It is management's experience that the contractual maturity of these assets and liabilities differ from the liquidation of these assets and liabilities, which makes the disclosure of expected maturity more meaningful to the users of the financial statements. The actual liquidation of the assets and liabilities may differ from management's estimates.

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5. Segment Reporting

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

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

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

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

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax. The segment information provided to the Board of Directors for the reportable segments for the year ended 30 September 2014 is as follows:

	The Group			
	30 September 2014			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	828,927	88,740	421,514	1,339,181
Inter-segment revenue	(383)	-	-	(383)
Total gross external revenue	828,544	88,740	421,514	1,338,798
Total expenses	(710,949)	(48,251)	-	(759,200)
Inter-segment expense	-	383	-	383
	(710,949)	(47,868)	-	(758,817)
Segment results	117,595	40,872	421,514	579,981
Unallocated expenses				(455,966)
Share of results of associate				(9,956)
Profit before tax				114,059
Taxation				(43,085)
Net profit				70,974
Segment assets	12,437,041	210,108	-	12,647,149
Inter-segment assets	(230)	(3,266)	-	(3,496)
Net segment assets	12,436,811	206,842	-	12,643,653
Unallocated assets				911,871
Total assets				13,555,524
Segment liabilities	11,592,765	21,015	-	11,613,780
Inter-segment liabilities	(1,787)	(230)	-	(2,017)
Net segment liabilities	11,590,978	20,785	-	11,611,763
Unallocated liabilities				270,431
Total liabilities				11,882,194
Other segment items				
Depreciation (Note 17)	12,649	1,055	-	13,704
Amortisation (Note 18)	2,834	-	-	2,834
Amortisation of contracts (Note 20)	-	-	8,030	8,030
	15,483	1,055	8,030	24,568

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5. Segment Reporting (Continued)

	The Group			
	30 September 2013			
	Fixed Income $'000	Funds Management $'000	Other $'000	Group $'000
Total segment revenue	828,927	73,763	197,713	1,100,403
Inter-segment revenue	(1,887)	(3,528)	-	(5,415)
Total gross external revenue	827,040	70,235	197,713	1,094,988
Total expenses	(584,973)	(40,826)	-	(625,799)
Inter-segment expense	3,528	1,887	-	5,415
	(581,445)	(38,939)	-	(620,384)
Segment results	235,527	31,296	207,781	474,604
Unallocated expenses				(404,104)
Profit before tax				70,500
Taxation				(222)
Net profit				70,278
Segment assets	12,291,441	177,982	-	12,469,423
Inter-segment assets	(340)	(51,963)	-	(52,303)
Net segment assets	12,291,101	126,019	-	12,417,120
Unallocated assets				753,735
Total assets				13,170,855
Segment liabilities	11,694,800	25,542	-	11,720,342
Inter-segment liabilities	(51,318)	(340)	-	(51,658)
Net segment liabilities	11,643,482	25,202	-	11,668,684
Unallocated liabilities				98,415
Total liabilities				11,767,099
Other segment items				
Depreciation (Note 17)	12,689	1,221	-	13,910
Amortisation (Note 18)	2,057	-	-	2,057
	14,746	1,221	-	15,967

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

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5. Segment Reporting (Continued)

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

	The Group	
	2014 **$'000**	**2013** **$'000**
Profit from reportable segments	579,981	474,604
Unallocated costs -		
Operating expenses	(455,966)	(404,104)
Share of results of associate	(9,956)	-
	114,059	70,500

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

	The Group	
	2014 **$'000**	**2013** **$'000**
Segment assets from reportable segments	12,643,653	12,417,120
Unallocated assets -		
Cash and bank balances	75,764	90,386
Receivables	503,059	420,045
Due from related parties	1,510	1,299
Property, plant and equipment	228,619	172,910
Intangible assets	84,740	69,093
Investments	2	2
Investment in associate	18,177	-
	13,555,524	13,170,855

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

	The Group	
	2014 **$'000**	**2013** **$'000**
Segment liabilities from reportable segments	11,611,763	11,668,684
Unallocated liabilities -		
Bank overdraft	1,335	17,501
Payables	65,274	53,991
Deferred tax liabilities	203,822	26,923
	11,882,194	11,767,099

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6. Staff Costs

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	175,363	156,165	154,648	138,586
Commissions	18,295	15,532	18,295	15,532
Statutory contributions	18,682	19,177	17,320	17,899
Pension costs	10,575	10,047	10,005	9,564
Other staff benefits	15,367	15,731	13,621	14,216
	238,282	216,652	213,889	195,797

7. Expense by Nature

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Advertising and promotion	25,922	26,455	21,534	22,695
Asset tax	17,000	21,524	17,000	21,524
Auditors' remuneration -				
Current	8,514	7,684	6,845	6,110
Bank charges and interest	8,805	7,203	8,805	7,203
Depreciation and amortization (Note 17 and 18)	16,538	15,967	15,483	14,747
Directors' fees	2,200	1,780	2,200	1,780
Donations	18,879	18,041	18,879	18,041
Impairment of available-for-sale investments	42,035	7,328	37,231	7,328
Insurance	10,148	7,603	10,107	7,563
Fund expenses	2,771	2,667	-	-
Office expenses	8,885	9,164	7,077	7,084
Professional fees	8,556	8,581	8,514	8,191
Registration and license fees	5,242	4,599	5,242	4,599
Rent	3,538	3,162	1,806	1,380
Repairs and maintenance	5,843	12,407	5,631	11,983
Security costs	6,577	7,629	6,577	6,338
Software maintenance	8,498	5,688	8,498	5,688
Staff costs (Note 7)	238,282	216,652	213,889	195,797
Utilities	11,410	23,542	11,410	23,542
Other expenses	51,338	34,524	49,238	32,511
	500,981	442,200	455,966	404,104

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8. Taxation Expense

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

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Current year tax charge	14,809	7,793	-	-
Prior years' over provision	(34,297)	(11,269)	(34,297)	(11,269)
Deferred income tax (Note 20)	62,573	3,698	62,271	3,820
	43,085	222	27,974	(7,449)

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

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

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	114,059	70,500	83,526	37,563
Tax calculated at 33 ⅓%	38,020	23,500	27,842	12,521
Adjusted for the effects of:				
Income not subject to tax	(8,008)	(28,755)	(8,006)	(28,755)
Expenses not allowable for tax	13,612	17,721	11,953	17,721
Other charges and allowances, net	(539)	(12,244)	(3,815)	(8,936)
Income tax expense	43,085	222	27,974	(7,449)

Subject to agreement with the Taxpayer Audit and Assessment Department, tax losses amounting to $414,397,000 (2013 – $477,208,000) may be carried forward indefinitely to offset future taxable profits.

8. Taxation Expense (Continued)

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

	The Group					
	2014 $'000			2013 $'000		
	Before tax	Taxation	After tax	Before tax	Taxation	After tax
Revaluation gains on property, plant and equipment, net of taxes	61,940	(20,647)	41,293	-	-	-
Unrealised gains/(losses) on available-for-sale investments	156,229	(57,558)	98,671	(263,183)	84,592	(178,591)
Net losses/(gains) recycled to profit or loss on disposal, maturity and impairment of available-for-sale investments	109,269	(36,423)	72,846	(192,471)	64,157	(128,314)
	327,438	(114,628)	212,810	(455,654)	148,749	(306,905)

	The Company					
	2014 $'000			2013 $'000		
	Before tax	Taxation	After tax	Before tax	Taxation	After tax
Revaluation gains on property, plant and equipment, net of taxes	61,940	(20,647)	41,293	-	-	-
Unrealised gains/ (losses) on available-for-sale investments	152,079	(59,933)	92,146	(258,913)	85,021	(173,892)
Net losses/(gains) recycled to profit or loss on disposal, maturity and impairment of available-for-sale investments	102,143	(34,048)	68,095	(191,184)	63,728	(127,456)
	316,162	(114,628)	201,534	(450,097)	148,749	(301,348)

9. Net Profit

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

	2014	2013
	$'000	$'000
Holding company	55,552	45,012
Subsidiary	15,422	25,266
	70,974	70,278

10. Cash and Cash Equivalents

	The Group		The Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Cash in hand	119	114	119	114
Cash at bank	76,641	92,031	75,645	90,272
	76,760	92,145	75,764	90,386
Bank overdrafts	(3,167)	(17,501)	(1,335)	(17,501)
	73,593	74,644	74,429	72,885

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

The Group's overdraft facilities of $30,000,000 (2013 - $30,000,000) with FirstCaribbean International Bank Limited are secured by Government of Jamaica Investment Note with a face value of $35,000,000 (2013 - $35,000,000). The weighted average effective interest rate on the overdraft facilities is 17.85% (2013 - 17.85%).

11. Securities Purchased under Resale Agreements

The Group and company have entered into repurchase agreements collaterised by Government of Jamaica (GOJ) securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations. Most of these agreements will mature within twelve months. Included in securities purchased under resale agreements is accrued interest for the Group and company of $10,977,000, respectively (2013 - $2,320,000).

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12. Marketable Securities

	The Group		The Company	
	2014 **$'000**	**2013** **$'000**	**2014** **$'000**	**2013** **$'000**
Available-for-sale -				
Quoted equities	305,669	294,629	249,917	252,277
Government of Jamaica (GOJ) bonds	9,468,507	9,960,992	9,402,080	9,907,537
Corporate bonds	775,227	526,511	775,227	526,511
Unit Trust Funds	60,509	6,828	-	-
	10,609,912	10,788,960	10,427,224	10,686,325
Accrued interest	252,133	267,879	251,000	266,846
	10,862,045	11,056,839	10,678,224	10,953,171
Loans and receivables -				
Corporate bond	25,000	25,000	25,000	25,000
Government of Jamaica (GOJ) bonds	25,536	25,536	25,536	25,536
	50,536	50,536	50,536	50,536
Accrued interest	765	821	765	821
	51,301	51,357	51,301	51,357
	10,913,346	11,108,196	10,729,525	11,004,528
Less Pledged assets (Note 13)	(3,833,787)	(3,898,350)	(3,833,787)	(3,898,350)
	7,079,559	7,209,846	6,895,738	7,106,178

At 30 September 2014, the fair value of marketable securities disclosed as loans and receivable was $50,536,000 (2013 -$50,994,000) and are considered to be level 2 in the fair value hierarchy. There is no active market for GOJ bonds classified as loans and receivable.

The current portion of marketable securities amounted to $2,354,018 (2013 - $1,423,187,000) for the Group and $2,354,663 (2013 - $1,423,187,000) for the company.

At 30 September, the Group and company held in trust marketable securities with face value of $3,219,326,000 (2013 - $2,309,488,000). These amounts were excluded from the statement of financial position as the Group did not have the legal right of ownership to these instruments.

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12. Marketable Securities

National Debt Exchange

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

The key features of the NDX were as follows:

- Jamaican-resident holders of certain domestic debt instruments (collectively referred to as the "Old Notes") were invited to exchange those Old Notes for new, longer-dated debt instruments (collectively referred to as the "New Notes"). Participation in the NDX was voluntary.

- The New Notes offered have a variety of payment terms, including but not limited to fixed and variable rates in J$, CPI-indexed in J$, and fixed rates in USD.

- Eligible investors had the option to choose New Notes based on the type and maturity of the Old Notes which are offered for exchange based on certain election options. The election options only allow investors to choose New Notes of longer tenor relative to Old Notes. Most New Notes have lower coupon interest rates than Old Notes.

- Introduction of new Fixed Rate Accreting Notes ("FRANs") which were issued with J$80 of principal value for every J$100 of principal value of Old Notes, whereby such principal will accrete to J$100 of principal value by the maturity date in 2028. The Group elected not to receive any FRANs.

- Eligible investors who made offers to the Government of Jamaica to exchange Old Notes received an equivalent principal value (par-for-par value) of New Notes and the payment in cash of accrued interest, net of applicable withholding taxes, on the Old Notes up to but excluding 22 February 2014 (the Settlement Date).

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

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

13. Pledged Assets

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

	The Group and Company			
	Asset		Related Liability	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Investment securities:				
Pledged with customers	3,806,954	3,862,811	3,730,198	3,696,997
Pledged with BOJ and other financial institutions	26,833	35,539	3,167	13,439
	3,833,787	3,898,350	3,733,365	3,710,436

14. Receivables

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Receivable from clients	17,021	12,891	16,926	12,428
Prepaid expenses	8,088	5,788	6,818	4,633
Withholding tax	425,271	366,692	423,621	360,859
Taxation recoverable	43,410	25,000	43,410	25,000
Other	17,205	19,757	12,284	17,125
	510,995	430,128	503,059	420,045

Receivables collectible within twelve months amounted to $34,226,000 (2013 - $32,648,000) for the Group and $29,210,000 (2013 - $29,553,000) for the company.

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15. Earnings per Share

(a) Basic
Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 23).

	2014 $'000	2013 $'000
Net profit attributable to ordinary shareholders	70,974	70,278
Weighted average number of ordinary shares in issue	443,366	443,416
Basic earnings per share	$0.16	$0.16

(b) Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company's convertible preference shares were redeemed for cash during the previous financial year.

16. Related Party Transactions and Balances

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

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

	The Group		The Company	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Barita Unit Trusts Management Company Limited -				
Interest paid on investments	-	-	(82)	(2,099)
Rental income received	-	-	465	587
Interest received on loans	-	-	-	1,887
Barita Unit Trust Funds-				
Management fees	78,346	62,393	-	-
Interest paid on investments	(21,620)	(9,438)	(21,620)	(9,438)
(Loss)/gain on disposal of investments	(139)	(1,362)	-	-
Barita Leasing Limited -				
Interest paid on investments	(279)	(794)	(279)	(794)
Barita Group Pension				
Interest paid on investments	(1,032)	-	(1,032)	-
Directors and key management-				
Interest paid on investments	(7,833)	(5,585)	(7,833)	(5,585)

16. Related Party Transactions and Balances (Continued)

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

	The Group		The Company	
	2014 $'000	**2013 $'000**	**2014 $'000**	**2013 $'000**
Receivables -				
Barita Unit Trusts Management Company Limited	-	-	340	340
Barita Unit Trust Money Market Fund	5,292	5,536	-	-
Barita Unit Trust Capital Growth Fund	392	412	-	-
Barita Multiple Portfolio Funds	6,649	-	-	-
Barita Education Fund	682	708	682	708
Barita Finance House Limited	88	69	88	69
Key management personnel	510	182	400	182
	13,615	6,907	1,510	1,299
		-		-
Marketable securities -				
Barita Unit Trust Capital Growth Fund	4,206	-	4,206	-
Securities sold under repurchase agreement -				
Barita Leasing Limited	(5,080)	(4,878)	(5,080)	(4,878)
Barita Finance House Limited	(1,448)	-	(1,448)	-
Barita Education Foundation	(568)	-	(568)	-
Barita Unit Trust Management Company Limited	-	-	(1,787)	(51,319)
Barita Unit Trust Money Market Fund	(31,014)	(47,884)	(31,014)	(47,884)
Barita Unit Trust Capital Growth Fund	(3,689)	(5,163)	(3,689)	(5,163)
Barita Multiple Portfolio Funds	(613,162)	-	(613,162)	-
Barita Group Pension Scheme	(27,453)	(22,605)	(27,453)	(22,605)
Key management personnel	(3,794)	(1,619)	(3,794)	(1,619)
Directors	(176,669)	(206,010)	(176,669)	(206,010)
	(862,877)	(288,159)	(864,664)	(339,478)

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

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16. Related Party Transactions and Balances (Continued)

(c) Key management compensation

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Salaries	87,870	88,653	78,675	74,718
Statutory deductions	6,598	7,035	6,360	6,439
Pension	4,395	4,242	4,395	4,040
Commission	5,630	7,274	5,630	7,274
	104,493	107,204	95,060	92,471
Directors' emoluments –				
Management remuneration (included in staff costs)	31,509	32,279	22,565	21,792
Directors' fees	1,982	1,780	1,982	1,780
	33,491	34,059	24,547	23,572

Interests in Unconsolidated Structured Entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the company. Such interests include holdings of debt or equity securities and investment management agreements. Structured entities are assessed for control in accordance with the accounting policy set out in Note 2(b).

The Group, through its subsidiary BUTM, manages a number of Unit Trusts namely: Barita Unit Trust Money Market Fund, Barita Unit Trust Capital Growth Fund and Barita Multiple Portfolio Funds (which includes an Fx Bond Portfolio Fund and an Income Portfolio Fund). These funds were established to provide customers with investment opportunities.

The unit trusts have an independent trustee. The Group, through its subsidiary BUTM, is entitled to receive management fees based on the assets under management. The Group also holds units in the unit trusts.

16. Related Party Transactions and Balances (Continued)

Interests in Unconsolidated Structured Entities (continued)

The table below shows the total assets of the unit trusts, the Group's interest in and income arising from involvement with the unit trusts as well as the maximum exposure to loss. The maximum exposure to loss from the Group's interests represents the maximum loss that the Group could incur as a result of its involvement with the unit trusts regardless of the probability of the loss being incurred. The income from the Group's interest includes recurring and non-recurring fees and any mark-to-market gains/losses on a net basis.

	2014	2013
	$'000	$'000
Total assets of the Unit Trust	4,752,181	2,733,670
The Group's interest – Carrying value of units held (included in available-for-sale investment securities – Note 12)	60,509	6,828
Maximum exposure to loss	60,509	6,828
Liability to the Unit Trust in relation to investment in repurchase obligations (included in repurchase obligations on the consolidated statement of financial position)	647,865	53,047
Total income from the Group's interests	78,207	61,031

The Group has not provided any non-contractual financial support during the period and does not anticipate providing non-contractual support to the Unit Trust in the future.

17. Property, Plant and Equipment

	The Group				
	Land & Buildings $'000	Office Furniture, Machines & Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
			2014		
At Cost or Valuation -					
1 October 2013	147,104	40,202	33,580	23,369	244,255
Additions	-	2,965	3,489	-	6,454
Revaluation adjustment	53,100	-	-	-	53,100
At 30 September 2014	200,204	43,167	37,069	23,369	303,809
Depreciation -					
1 October 2013	7,507	22,298	28,871	8,109	66,785
Charge for the year	3,462	3,062	3,390	3,790	13,704
Revaluation adjustment	(8,840)	-	-	-	(8,840)
At 30 September 2014	2,129	25,360	32,261	11,899	71,649
Net Book Value -					
30 September 2014	198,075	17,807	4,808	11,470	232,160
			2013		
At Cost or Valuation -					
1 October 2012	147,104	35,219	31,836	18,416	232,575
Additions	-	4,983	1,753	14,991	21,727
Disposals	-	-	(9)	(10,038)	(10,047)
At 30 September 2013	147,104	40,202	33,580	23,369	244,255
Depreciation -					
1 October 2012	4,381	19,108	25,022	14,397	62,908
Charge for the year	3,126	3,190	3,858	3,736	13,910
Disposals	-	-	(9)	(10,024)	(10,033)
At 30 September 2013	7,507	22,298	28,871	8,109	66,785
Net Book Value -					
30 September 2013	139,597	17,904	4,709	15,260	177,470

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17. Property, Plant and Equipment (Continued)

	The Company				
	Land & Buildings $'000	**Office Furniture, Machines and Equipment $'000**	**Computer Equipment $'000**	**Motor Vehicles $'000**	**Total $'000**
			2014		
At Cost or Valuation -					
At 1 October 2013	146,026	39,235	30,262	18,716	234,239
Additions	-	2,965	3,453	-	6,418
Revaluation adjustment	53,100	-	-	-	53,100
At 30 September 2014	199,126	42,200	33,715	18,716	293,757
Depreciation -					
At 1 October 2013	6,430	21,739	25,610	7,550	61,329
Charge for the year	3,462	3,012	3,317	2,858	12,649
Revaluation adjustment	(8,840)	-	-	-	(8,840)
At 30 September 2014	1,052	24,751	28,927	10,408	65,138
Net Book Value -					
At 30 September 2014	198,074	17,449	4,788	8,308	228,619
			2013		
At Cost or Valuation -					
At 1 October 2012	146,026	34,282	28,518	14,491	223,317
Additions	-	4,953	1,753	10,325	17,031
Disposals			(9)	(6,100)	(6,109)
At 30 September 2013	146,026	39,235	30,262	18,716	234,239
Depreciation -					
At 1 October 2012	3,343	18,579	21,898	10,929	54,749
Charge for the year	3,087	3,160	3,721	2,721	12,689
Disposals			(9)	(6,100)	(6,109)
At 30 September 2013	6,430	21,739	25,610	7,550	61,329
Net Book Value -					
At 30 September 2013	139,596	17,496	4,652	11,166	172,910

17. Property, Plant and Equipment (Continued)

The Group's land and building was revalued as at 12 June 2014 by D.C. Tavares & Finson Realty Limited, professionally qualified property appraisers. The valuations were done on the basis of open market value.

The property, plant and equipment that, subsequent to initial recognition, are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The levels are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The items of property, plant and equipment of the Group and the company shown at revalued amounts are included in Level 2. There were no transfers between levels for both years.

The historical cost of land and building is not available.

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18. Intangible Assets

	The Group and Company		
	Computer Software $'000	Software development work in progress $'000	Total $'000
		2014	
At Cost or Valuation -			
At 1 October 2013	17,949	64,019	81,968
Additions	2,526	15,955	18,481
At 30 September 2014	20,475	79,974	100,449
Amortisation -			
At 1 October 2013	12,875	-	12,875
Charge for the year	2,834	-	2,834
At 30 September 2014	15,709	-	15,709
Net Book Value -			
At 30 September 2014	4,766	79,974	84,740
		2013	
At Cost or Valuation -			
At 1 October 2011	14,078	47,165	61,243
Additions	3,871	16,854	20,725
At 30 September 2013	17,949	64,019	81,968
Amortisation -			
At 1 October 2011	10,818	-	10,818
Charge for the year	2,057	-	2,057
At 30 September 2013	12,875	-	12,875
Net Book Value -			
At 30 September 2013	5,074	64,019	69,093

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

19. Investment

This investment is in respect of the company's seat on the stock exchange and is carried at cost as the fair value cannot be reliably determined.

20. Investment in Associated Company

	2014 $'000	2013 $'000
At beginning of year	-	-
Acquisition cost	28,133	-
Amortisation of intangible asset	(8,030)	-
Share of results after tax	(1,926)	-
At end of year	18,177	-

The summarised information for associated company that was accounted for using the equity method for the year ended 30 June 2014 and 30 June 2013 is as presented in the tables below. The summarized financial information reflects balances which are due to the equity holders of the company.

GSW Animation Limited

	30 June 2014 $'000	30 June 2013 $'000
Current		
Cash and cash equivalents	11,424	178
Other current assets	2,800	445
Total current assets	14,224	623
Financial liabilities (excluding trade payables)	-	-
Other current liabilities (including trade payables)	14,000	5,607
Total current liabilities	14,000	5,607
Non-current		
Assets	52,416	24,475
Financial liabilities	28,448	30,794
Other liabilities	336	-
Total non-current liabilities	28,784	30,794
Net assets	23,856	(11,303)

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20. Investment in Associated Company (Continued)

Summarised financial information (Continued)

	30 June 2014 $'000	30 June 2013 $'000
Revenue	2,352	2,403
Net loss for the twelve months ended 30 June 2014	(6,944)	(3,560)
Total comprehensive income	(6,944)	(3,560)

Reconciliation of summarised financial information
A reconciliation of summarised financial information presented to the carrying amount of its interest in associate is shown in the table below. The amounts shown in the table are the amounts attributable to the equity holders of the associated company.

	$'000
Opening net assets at 1 February 2014	(8,699)
Capital contributions	42,112
Loss for the period	(9,557)
Closing net assets at 30 June 2014	23,856
Interest in associate (%)	11%
Interest in associate (J$)	2,624
Other adjustments	(742)
Intangible asset - contracts	16,295
Carrying value	18,177

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21. Deferred Taxation

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

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

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

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets	-	-	-	-
Deferred tax liabilities	204,334	27,133	203,822	26,923
	204,334	27,133	203,822	26,923

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

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Net liabilities at beginning of year	27,133	172,184	26,923	171,852
Charged to profit or loss (Note 8)	62,573	3,698	62,271	3,820
Charged/(credited) to other comprehensive income (Note 8)	114,628	(148,749)	114,628	(148,749)
Net liabilities at end of year	204,334	27,133	203,822	26,923

Deferred income tax liabilities have not been established for the withholding tax that would be payable on the unappropriated profits of subsidiaries as the amounts are not subject to tax. Such un-appropriated profits totaled $141,150,000 as at 30 September 2014 (2013 - $110,197,000) (Note 9).

21. Deferred Taxation (Continued)

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

	The Group				
Deferred tax liabilities	**Investment securities**	**Accelerated depreciation**	**Interest receivable**	**Exchange gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 October 2012	39,419	25,930	58,428	76,914	200,691
(Credited)/charged to profit or loss	43,156	(1,535)	31,257	136,097	208,975
Credited to other comprehensive income	(82,575)	-	-	-	(82,575)
At 1 October 2013	-	24,395	89,685	213,011	327,091
Charged(credited) to profit or loss	-	(5,378)	(3,625)	70,650	61,647
Charged to other comprehensive income	-	20,647	-	-	20,647
At 30 September 2014	-	39,664	86,060	283,661	409,385

Deferred tax assets	**Investment securities**	**Taxes losses**	**Interest payable**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 1 October 2012	-	-	28,507	28,507
Credited/(charged) to profit or loss	51,528	159,069	(5,320)	205,277
Credited to other comprehensive income	66,174	-	-	66,174
At 1 October 2013	117,702	159,069	23,187	299,958
Credited/(charged) to profit or loss	14,299	(20,937)	5,712	(926)
Charged to other comprehensive income	(93,981)	-	-	(93,981)
At 30 September 2014	38,020	138,132	28,899	205,051

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21. Deferred Taxation (Continued)

	The Company				
Deferred tax liabilities	**Investment securities**	**Accelerated depreciation**	**Interest receivable**	**Exchange gain**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 October 2012	39,419	26,018	57,904	76,914	200,255
Charged/(credited) to profit or loss	43,156	(1,108)	30,952	136,097	209,097
Credited to other comprehensive income	(82,575)	-	-	-	(82,575)
At 1 October 2013	-	24,910	88,856	213,011	326,777
(Credited)/ charged to profit or loss	-	(6,027)	(3,174)	70,650	61,449
Charged to other comprehensive income	-	20,647	-	-	20,647
At 30 September 2014	-	39,530	85,682	283,661	408,873

Deferred tax assets	**Investment securities**	**Taxes losses**	**Interest payable**	**Total**
	$'000			
At 1 October 2012	-	-	28,403	28,403
Credited/(charged) to profit or loss	51,528	159,069	(5,320)	205,277
Credited to other comprehensive income	66,174	-	-	66,174
At 1 October 2013	117,702	159,069	23,083	299,854
Credited/(charged) to profit or loss	14,299	(20,937)	5,816	(822)
Charged to other comprehensive income	(93,981)	-	-	(93,981)
At 30 September 2014	38,020	138,132	28,899	205,051

The amounts shown in the statement of financial position include the following to be settled or recovered after more than 12 months:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax liabilities	(323,325)	(237,406)	(323,191)	(237,921)
Deferred tax assets	38,020	117,702	38,020	117,702

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22. Payables

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Client funds	10,596	8,889	10,596	8,889
Statutory liabilities	4,326	5,806	4,326	3,915
Other	60,341	50,039	50,352	41,186
	75,263	64,734	65,274	53,990

All amounts recorded as payables are due within twelve months.

23. Share Capital and Treasury Shares

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Authorised ordinary shares 600,000,000 (2013 – 600,000,000)				
(a) Issued and fully paid ordinary shares of no par value 445,001,824 (2013 – 445,001,824)	754,994	754,994	754,994	754,994
(b) Treasury shares 1,636,026 (2013 – 1,585,526)	(10,979)	(10,145)	(9,500)	(9,500)

BUTM participated in the Barita's initial public offering on 15 January 2010 by acquiring 598,000 ordinary shares and 45,290,000 redeemable preference shares. BUTM acquired an additional 50,500 of Barita's ordinary shares during the year. The ordinary shares acquired by BUTM are treated as treasury shares in the consolidated financial statements.

24. Capital Reserve

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

25. Fair Value Reserve

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

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26. Capital Redemption Reserve

This reserve arose on the redemption of preference shares during the 2013 financial year.

27. Dividends

A dividend of $0.03 per ordinary stock unit was paid on 27 January 2014 (2013 - $0.114 per ordinary stock paid on 27 January 2013).

28. Restatement

The financial statements for the years ended 30 September 2013 and 30 September 2012 were restated to reflect the effects of the Group's and the company's omission to record the amortisation of premiums or discounts on certain bonds in previous years. The restatement resulted in an increase in fair value reserves and a decrease in retained earnings.

The tables below show the impact of the restatement on the statement of financial position as at 30 September 2013 and 30 September 2012. There was no impact on the statement of comprehensive income and the statement of cash flows for the period ended 30 September 2013.

Effect on consolidated statement of financial position as at 30 September 2013

	As Previously Stated $'000	Effect of Restatement $'000	As Restated $'000
TOTAL ASSETS	13,170,855	-	13,170,855
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities	11,767,099	-	11,767,099
Shareholders' Equity			
Share capital	754,994	-	754,994
Treasury shares	(10,145)	-	(10,145)
Capital reserve	28,506	-	28,506
Fair value reserve	(143,060)	29,459	(113,601)
Capital redemption reserve	220,127	-	220,127
Retained earnings	553,334	(29,459)	523,875
Total shareholders' equity	1,403,756	-	1,403,756
Total liabilities and shareholders' equity	13,170,855	-	13,170,855

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28. Restatement (Continued)

Effect on consolidated statement of financial position as at 30 September 2012

	As Previously Stated $'000	Effect of Restatement $'000	As Restated $'000
TOTAL ASSETS	13,562,652	-	13,562,652
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities	11,861,279	-	11,861,279
Shareholders' Equity			
Share capital	765,154	-	765,154
Treasury shares	(10,145)	-	(10,145)
Capital reserve	28,506	-	28,506
Fair value reserve	163,845	29,459	193,304
Retained earnings	754,013	(29,459)	724,554
Total shareholders' equity	1,701,373	-	1,701,373
Total liabilities and shareholders' equity	13,562,652	-	13,562,652

Effect on company statement of financial position as at 30 September 2013

	As Previously Stated $'000	Effect of Restatement $'000	As Restated $'000
TOTAL ASSETS	13,130,877	-	13,130,877
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities	11,793,215	-	11,793,215
Shareholders' Equity			
Share capital	754,994	-	754,994
Treasury Shares	(9,500)	-	(9,500)
Capital reserve	90,361	-	90,361
Fair value reserve	(136,191)	29,459	(106,732)
Capital redemption reserve	313,590	-	313,590
Retained earnings	324,408	(29,459)	294,949
Total shareholders' equity	1,337,662	-	1,337,662
Total liabilities and shareholders' equity	13,130,877	-	13,130,877

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28. Restatement (Continued)

Effect on company statement of financial position as at 30 September 2012

	As Previously Stated	Effect of Restatement	As Restated
	$'000	$'000	$'000
TOTAL ASSETS	13,637,052	-	13,637,052
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities	11,982,064	-	11,982,064
Shareholders' Equity			
Share capital	765,154	-	765,154
Treasury Shares	(9,500)	-	(9,500)
Capital reserve	90,361	-	90,361
Fair value reserve	165,157	29,459	194,616
Retained earnings	643,816	(29,459)	614,357
Total shareholders' equity	1,654,988	-	1,654,988
Total liabilities and shareholders' equity	13,637,052	-	13,637,052

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28. Restatement (Continued)

Effect on consolidated statement of changes in shareholders' equity as at 30 September 2012 and 30 September 2013

	Share Capital	Treasury Shares	Capital Reserve	Fair Value Reserve	Capital Redemption Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2012, as previously stated	765,154	(10,145)	28,506	163,845	-	754,013	1,701,373
Effect of restatement	-	-	-	29,459	-	(29,459)	-
Balance at 30 September 2012, as restated	765,154	(10,145)	28,506	193,304	-	724,554	1,701,373
Total comprehensive income							
Profit for the year	-	-	-	-	-	70,278	70,278
Other comprehensive income	-	-	-	(306,905)	-	-	(306,905)
	-		-	(306,905)	-	70,278	(236,627)
Transactions with owners:							
Redemption of convertible preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	220,127	(220,127)	-
Balance at 30 September 2013, as restated	754,994	(10,145)	28,506	(113,601)	220,127	523,875	1,403,756

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28. Restatement (Continued)

Effect on company statement of changes in shareholders' equity as at 30 September 2012 and 30 September 2013

	Share Capital $'000	Treasury Shares $'000	Capital Reserve $'000	Fair Value Reserve $'000	Capital Redemption Reserve Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 30 September 2012, as previously stated	765,154	(9,500)	90,361	165,157	-	643,816	1,654,988
Effects of restatement	-	-	-	29,459	-	(29,459)	-
Balance at 30 September 2012, as restated	765,154	(9,500)	90,361	194,616	-	614,357	1,654,988
Total Comprehensive income							
Profit for the year	-	-	-	-	-	45,012	45,012
Other comprehensive income	-	-	-	(301,348)	-	-	(301,348)
	-	-	-	(301,348)	-	45,012	(256,336)
Transactions with owners:							
Redemption of preference shares	(10,160)	-	-	-	-	-	(10,160)
Dividends paid	-	-	-	-	-	(50,830)	(50,830)
	(10,160)	-	-	-	-	(50,830)	(60,990)
Creation of Capital Redemption Reserve arising on redemption of redeemable and convertible preference shares	-	-	-	-	313,590	(313,590)	-
Balance at 30 September 2013, as restated	754,994	(9,500)	90,361	(106,732)	313,590	294,949	1,337,662