
P R O S P E C T U S
2 0 1 5 by PROVEN INVESTMENTS LIMITED

PROVEN

The Financial Services Commission (the "Commission") registered this Prospectus on March 12, 2015 pursuant to section 26 of the Securities Act. The Financial Services Commission has neither approved the offered securities nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

This Prospectus is only being issued to Shareholders (as defined herein) of PROVEN INVESTMENTS LIMITED, a company incorporated in and under the laws of St. Lucia ("PIL" or the "Company"). In accordance with section 372(10) of the Companies Act, 2004 of Jamaica, registration of this Prospectus with the Registrar of Companies of Jamaica is not required in respect of the issue of this Prospectus in Jamaica to such persons, nor has such registration been effected. This Prospectus is intended for use in Jamaica and is not to be construed as an offer of any of the Shares outside of Jamaica. The distribution or publication of this Prospectus and the offering of the Shares contained herein is prohibited by law in certain jurisdictions outside of Jamaica. PROVEN INVESTMENTS LIMITED does not intend to, nor has it authorised any person to distribute or publish this Prospectus outside of Jamaica.

P R O S P E C T U S

by: **PROVEN**
Investments Limited

(A) a Renounceable Rights Issue of 1 new ordinary share of US\$0.01 each in the capital of the Company for every block of 3 ordinary shares held at a subscription price of

US\$0.16/J\$18.50 per share;

AND

(B) a further conditional offer of a maximum of 122,896,618 additional new ordinary shares of US\$0.01 each in the capital of the Company at a subscription price of US\$0.16/J\$18.50 per share

Dated as of March 12, 2015

The Directors whose names appear in Section 9 accept full responsibility, collectively and individually, for all the information in this document relating to PROVEN INVESTMENTS LIMITED, its subsidiaries and associated companies. The Directors have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information given herein or in those portions for which they have particular responsibility, is in accordance with the facts and does not omit anything likely to affect, in a material way, the import of such information.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which information or representation is not contained in this Prospectus.

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IMPORTANT NOTICE ABOUT THIS OFFER

This Prospectus is being issued and the Offer contained herein is being made only to Shareholders of the Company.

For the purposes of this Prospectus, a “Shareholder” is defined as an existing ordinary shareholder of the Company as recorded on the share registry records of the Company as at the Record Date (as defined herein).

Applications for Shares by persons who are not Shareholders of the Company will not be accepted. However, any Shareholder of the Company who applies for Shares in this Offer may elect to renounce the provisional allotment of some or all of the Shares allocated to that Shareholder in the Offer, in favour of a person of that Shareholder’s choice, whether or not such person is a Shareholder of the Company. Such renunciation may be made in the manner provided in paragraph 5 of Section 23 below, by appropriately completing the relevant part of the Application Form enclosed with this Prospectus.

The application lists with respect to the Shares will open at **9:00am** on the Opening Date. The application lists with respect to the Shares will close at **4:00 p.m.** on the Closing Date. Applications submitted prior to the Opening Date will be received, but not processed until the application lists open on the Opening Date. The Company reserves – (a) the right to close any application list at any time without notice, if Applications have been received for the full amount of the 122,896,618 Shares offered pursuant to the Rights Issue and – (b) the right to extend such closing of any application list beyond the time and date(s) above-mentioned and/or offer Shares greater in number than originally offered pursuant to the Rights Issue, up to a maximum of an additional 122,896,618 Shares.

Applications for Shares should be made on the original Application Form provided with this Prospectus or on the Application Forms available for download at www.weareproven.com and www.jamstockex.com. The procedure for completing the Application Form and the terms and conditions of the Prospectus are set out in Section 23 and on the Application Form.

Completed Application Forms must be received by **4:00pm** on the **Closing Date**. Each Application must be accompanied/supported by payment (or, where applicable, evidence of payment, as stated at Section 23) for the full amount payable on subscription utilising one of the payment methods described in Section 23 effected and/or delivered to either of the Lead Brokers as listed in Section 5 of this document entitled “Professional Advisors to the Offer”.

The Company intends to apply to the Jamaica Stock Exchange for the listing of all of the Shares, and to make such application as soon as conveniently possible following the closing of the Offer and the allocation of the Shares. It is the Company’s intention to list all of its shares, including the Shares issued arising from this Offer, on both the Jamaican dollar (J\$) and United States dollar (US\$) denominated markets of the Jamaica Stock Exchange. **These statements must not be construed as a guarantee that any of the Shares will be so listed, nor as an indication that this Prospectus is intended to be issued, or the offer contained herein is intended to be made, to persons other than existing members of Proven Investments Limited.**

SECTION

1

1. MESSAGE FROM CHAIRMAN
2. DISCLAIMER & NOTE ON FORWARD
LOOKING STATEMENTS
3. DEFINITIONS
4. SUMMARY OF KEY INFORMATION
5. PROFESSIONAL ADVISORS TO THE OFFER

1. MESSAGE FROM CHAIRMAN

Dear Members,

On behalf of the Board of Directors of Proven Investments Limited (“PIL” or the “Company”), I am pleased to offer you the opportunity to expand your participation in the company, by participating in this Rights Issue of Ordinary Shares.

As you will probably be aware by now, this is our preferred method of raising funds to pursue additional acquisition opportunities, to fund corporate debt deals, as well as to expand our investment portfolio, with the purpose of continuing to provide an enhanced level of income, above average returns, and preservation of capital for you, our members. Your Board is satisfied with the outcome of the opportunities that the funds raised via previous rights issues have allowed the Company to take advantage of, and we have therefore determined, in consultation with the Investment Manager, to open this new Rights Issue in the manner set out in this Prospectus, for the strategic reasons set out above.

Because we are aware of the tremendous appetite of our Shareholders to deepen their participation in the Company, we have structured this Offer in a way that allows our Shareholders to indicate their desire to take up more than the number of shares that are being made available via the Rights Issue. With your consent at our recent Extraordinary General Meeting, we have decided to enable Shareholders to show their interest in the Company by applying for additional ordinary shares, over and above their entitlement under the Rights Issue. Depending on the response received, as well as other material factors that the Directors will take into account in consultation with the Lead Brokers and the Investment Manager, we may elect to increase the number of Shares available in order to fully or partially meet the demand shown.

Additionally, as you may be aware, we have previously announced our intention to list all of the Company’s ordinary shares not only on the United States Dollar-denominated market of the JSE, where they are currently listed, but also on the Jamaican Dollar-denominated market of the JSE. This will include the Shares which are issued in respect of this Offer. The added advantage of this initiative is that Shareholders may pay for their Shares in this Offer in either of these two currencies. We expect (but do not guarantee) that this application will be successful.

We would like to thank you for your continued support and look forward to your participation in this Offer.

Yours truly,



Hon. Hugh Hart, O.J.
Chairman, Proven Investments Limited

2. DISCLAIMER & NOTE ON FORWARD-LOOKING STATEMENTS

Neither the FSC nor any Governmental agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of this Prospectus.

- (a) This Prospectus has been reviewed and approved by the Directors of PIL and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, (i) the information is true and accurate in all material respects and is not misleading in any material respect, (ii) any opinions, predictions or intentions expressed herein on the part of PIL are honestly held or made and are not misleading in any material respect, (iii) that all proper inquiries have been made to ascertain and to verify the foregoing, and (iv) this Prospectus does not contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading.
- (b) Each Applicant acknowledges and agrees that (i) such Applicant has received and has been afforded a meaningful opportunity to review all additional information considered by such Applicant to be necessary to verify the accuracy of the information contained in this Prospectus, (ii) such Applicant has not relied on PIL, the Investment Manager, the Lead Broker, the legal or other professional advisors to PIL or any persons affiliated with the Investment Manager in connection with the Applicant's investigation of the accuracy of such information or investment decision, and (iii) no person has been authorized to give information or to make any representation concerning PIL or the Offer comprised in this Prospectus or the Shares intended to be issued pursuant thereto or to provide information or to make any representation whatsoever in connection with this Prospectus (other than as contained in this Prospectus and information given by duly authorized officers and employees of the Investment Manager in connection with the Applicant's verification of the information contained in this Prospectus) and that, if given or made, such other information or representation should not be relied upon as having been authorized by PIL or the Investment Manager.
- (c) Neither the delivery of this Prospectus nor the offering, sale or allotment of any Shares hereunder shall under any circumstances imply that there has been no change in the business, results of operations, financial condition or prospects of PIL since the date of this Prospectus.
- (d) In making an investment decision, persons intending to apply for Shares are expected to make their own assessment of PIL and the terms of the offer for subscription herein, including the merits and risks involved.
- (e) No representation or warranty, expressed or implied, is made by the Investment Manager or by the legal or other professional advisors to either the Investment Manager or PIL, as to the accuracy or completeness of the information set forth herein including, without limitation, information in respect to PIL and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation by them, whether as to the past or future. The Investment Manager and their legal and other professional advisors have not independently verified any such information and assume no responsibility for its accuracy or completeness.

- (f) This Prospectus contains summaries believed to be accurate with respect to certain terms of certain documents, but where copies of such documents are made available for inspection by potential applicants in accordance with Section 21 hereof, reference should be made to the actual documents (upon request made to PIL or the Investment Manager) for complete information with respect thereto, and all such summaries are qualified in their entirety by such complete information.
- (g) Each Applicant should consult with its own advisors as to the legal, tax, business, financial and related aspects of subscribing for Shares in this offering. Neither the Investment Manager nor their legal or other professional advisors nor PIL, or any of their respective representatives, is making any representation to any Applicant or any other person regarding legal, tax, business, financial and related aspects of any person's subscription for shares in PIL in this offering, notwithstanding the inclusion in this Prospectus of such information in respect thereof as the Directors believe to be accurate, and persons should not consider this Prospectus as a recommendation by PIL or the Investment Manager that they should subscribe for or purchase any Shares. Each Applicant must make its own investigation and evaluation of PIL.
- (h) This Prospectus is intended to be used in Jamaica only, and is not to be construed as making an offer to persons outside of Jamaica to subscribe for any of the Shares. The distribution of this Prospectus and the offering of the Shares in certain jurisdictions is restricted by law. PIL and the Investment Manager require that Applicants and anyone who receives this Prospectus inform themselves about and observe such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, any offer to, or solicitation by, anyone in any jurisdiction in which, or to or by any person whom, such offer or solicitation would be unlawful.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Prospectus, including without limitation the discussions of future plans and financial projections, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although PIL believes, when making any such statements, that its expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Applicants are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would". When used in this Prospectus, such words and similar verbal expressions, as they relate to PIL and its business, are intended to identify those forward-looking statements. By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our forward looking statements will not be achieved. These forward looking statements are subject to numerous risks and uncertainties.

All phases of our business are subject to important uncertainties, risks and other influences, certain of which factors are beyond PIL's control. Any one of these factors, or a combination of them, could cause actual results to differ materially from those in forward-looking statements. These factors include, without limitation, the following:

- economic, social and other conditions in Jamaica and any other jurisdiction in which PIL may invest, including actual rates of economic growth in such economies, local, regional or global instability, interest rate or exchange rate volatility;
- adverse climatic events and natural disasters;
- PIL's ability to gain access to capital financing at an acceptable cost, or business opportunities that meet PIL's investment criteria;
- changes in regulatory policy adversely affecting the business model expected to be employed by PIL;
- any other factor negatively impacting on the realisation of the assumptions on which PIL's financial projections are based, and
- other factors identified in this Prospectus

We caution that the foregoing list of risk factors is not exhaustive and other factors not set out above could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, Applicants and others should carefully consider the foregoing factors and other uncertainties and potential events. Once this Prospectus has been signed by or on behalf of PIL, PIL undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in PIL's anticipated financial or actual or anticipated regulatory position, or to reflect the occurrence of unanticipated events.

3. DEFINITIONS

“Allotment”	the allocation and issuance of the Shares to Applicants
“Applicant”	the person (whether individual(s), company or other legal entity) by whom an Application is made, being a Shareholder of PIL
“Application”	an application to subscribe for the Shares in the Offer, made on the Application Form enclosed with this Prospectus or available for download at www.weareproven.com and www.jamstockex.com and duly completed and delivered to any of the Lead Brokers together with payment in full of the Subscription Price for the amount of Shares subscribed
“Closing Date”	the date of closing of the Offer, as set forth in Section 4 of this document (subject to such extension as the Directors may determine)
“Directors”	the Directors of the Company
“Dividend Policy”	the policy outlined at Section 8
“Existing Ordinary Shares”	the 368,689,855 ordinary shares of a par value of US\$0.01 each in the capital of the Company currently in issue as at the date hereof
“FSC” or “Commission”	the Financial Services Commission, duly established and existing under the Financial Services Commission Act of Jamaica
“IBC”	International Business Company
“Investment Manager”	Proven Management Limited
“J\$” or “Jamaican Dollars”	Dollars denominated in the lawful currency of Jamaica
“JSE” or “the Exchange”	Jamaica Stock Exchange
“Lead Brokers”	Proven Wealth Limited, NCB Capital Markets Limited & Sagicor Investments Jamaica Limited
“12-month LIBOR rate”	means the rate for 12-month US Dollar inter-bank deposits published by the British Bankers’ Association (as to which the Investment Manager’s determination thereof shall, in the absence of manifest error, be final and binding on the Company)
“Offer”	the offer of the Shares for subscription comprising the rights issue and the further conditional offer described herein

“Offer Price” or “Subscription Price”	Sixteen US Cents (US\$0.16) per Share or Eighteen Jamaican dollars and Fifty cents (J\$18.50) per Share
“Opening Date”	the date on which the Offer opens, as set forth in Section 4 of this Prospectus
“Shares”	all or any of the 122,896,618 ordinary shares having a par value of US\$0.01 each in the capital of the Company (and ranking <i>pari passu</i> with the Existing Ordinary Shares), which are the subject of this Offer. To the extent and in the event that the Directors elect, in consultation with the Lead Brokers and the Investment Manager, to issue and allot additional ordinary shares having a par value of US\$0.01 each in the capital of the Company and ranking <i>pari passu</i> with the Existing Ordinary Shares.
“Record Date”	The 20th day of March 2015
“Shareholder(s)”	Existing ordinary shareholder(s) in the Company as recorded on the share registry records of the Company as at the Record Date
“Proven Investments” or “PIL” or the “Company”	Proven Investments Limited
“Proven Management” or “PML”	Proven Management Limited
“US\$” or “United States Dollars”	Dollars denominated in the lawful currency of the United States of America

4. SUMMARY OF KEY INFORMATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices.

Recipients are advised to read this entire Prospectus carefully before making an investment decision about this transaction. Each recipient's attention is specifically drawn to the Risk Factors in Sections 16 and 17 of this Prospectus and the Disclaimer and Note on Forward-Looking Statements at the beginning of this Prospectus.

If you have any questions arising out of this document or if you require any explanations, you should consult your stock broker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

This Offer is made solely for the benefit of Shareholders of the Company (as defined herein) and Applications for the Shares by persons who are not Shareholders of the Company will not be accepted.

ISSUER:	Proven Investments Limited (the Company)
ISSUE:	Rights issue of One (1) Share for every Three (3) ordinary shares of US\$0.01 par value held by Shareholders in the capital of the Company as at the Record Date ranking <i>pari passu</i> with the Existing Ordinary Shares. The Directors may elect, in consultation with the Lead Brokers and the Investment Manager, to issue and allot additional Shares (to a maximum of 122,896,618 Shares) in the event that, <i>inter alia</i> , Applications are received for Shares in excess of the 122,896,618 Shares made available via the Rights Issue.
SECURITY:	Ordinary shares having a par value of US\$0.01 each in the capital of the Company.
OFFER PRICE:	i. Sixteen US cents (US\$0.16) per Share, or ii. Eighteen Jamaican Dollars and Fifty cents (J\$18.50) per Share
HOW PAYABLE:	In full on Application.
NO. OF OFFERED SHARES:	122,896,618 ordinary shares having a par value of US\$0.01. (Additional ordinary shares having a par value of US\$0.01, (to a maximum of 122,896,618 ordinary shares) may be applied for, pursuant to the conditional offer.)
OFFER CAPITALIZATION:	US\$19,663,458.88, in respect of the Rights Issue. While this sum is expressed in United States Dollars, the terms of the Offer permit the subscription price to be paid in United States Dollars or Jamaican Dollars, as set out herein.
USE OF PROCEEDS:	The net proceeds from the Offer will be used by the Company to build its capital base. The Company intends to use the capital raised to pursue expansion and acquisition opportunities in the market.

PURPOSE OF OFFER: To build the capital base of the Company and to give Shareholders (and other prospective investors in favour of whom such Shareholders may elect to renounce their provisional allotment in accordance with the terms hereof) the opportunity to participate in the Company's continued success.

RENUNCIATION Each Applicant for Shares, being a Shareholder of the Company (as defined herein), shall be entitled to renounce the provisional allotment of some or all of the Shares allocated to that Applicant in the Offer, in favour of a person of that Applicant's choice. (See paragraph 5 of Section 23 below.)

DIVIDENDS Dividends will be paid by the Company without withholding of tax. By virtue of the CARICOM double taxation treaty, persons resident in Jamaica will not be subject to tax on dividends paid by the Company.

INTENTION TO LIST ON JSE PIL intends to apply to the JSE for the listing on the Exchange of all of the Shares, and to make such application as soon as conveniently possible following the closing of the Offer and the allocation of Shares. In addition, PIL intends to apply to the JSE for the listing on both the Jamaican dollar denominated and United States dollar denominated markets of the Exchange of all of the issued ordinary shares of the Company, including the Shares issued as a result of this Offer. These statements must not be construed as a guarantee that any of the Shares will be listed, nor as an indication that this Prospectus is intended to be issued to, or the offer contained herein is intended to be made to, persons other than Shareholders of the Company.

TIMETABLE:

- (1) Distribution of Prospectus – March 12, 2015
- (2) Offer opens – 9:00am on Tuesday, March 24, 2015
- (3) The Closing Date (Application Forms to be received by) – 4:00pm on Thursday, April 2, 2015
- (4) Allocations will be determined by April 8, 2015
- (5) Refund cheques will be distributed to the Lead Brokers by April 14, 2015

The above timetable is indicative and will be implemented on a best efforts basis, with the Directors however reserving the right (in consultation with the Investment Manager and Lead Brokers) to change the dates that the Offer opens and closes based on market conditions and other relevant factors.

5. PROFESSIONAL ADVISORS TO THE OFFER**LEGAL ADVISORS****HART MUIRHEAD FATTA**

Attorneys-at-Law

2nd Floor

Victoria Mutual Building

53 Knutsford Boulevard

Kingston 5

AUDITORS/ACCOUNTANTS**KPMG EASTERN CARIBBEAN**

Morgan Building

L'Anse Road

Castries, St. Lucia

LEAD BROKERS**PROVEN WEALTH LIMITED**

26 Belmont Road

Kingston 5

NCB CAPITAL MARKETS LIMITED

29 Trafalgar Road

Kingston 10

SAGICOR INVESTMENTS JAMAICA LIMITED

60 Knutsford Boulevard

Kingston 5

SCOTIA INVESTMENTS JAMAICA LIMITED

7 Holborn Road

Kingston 5

REGISTRAR**JAMAICA CENTRAL SECURITIES DEPOSITORY LIMITED**

40 Harbour Street

Kingston

SECTION

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6. THE OFFER
7. THE COMPANY
8. DIVIDEND POLICY
9. PROFILE OF DIRECTORS
10. THE INVESTMENT MANAGER

6. THE OFFER

(A) THE RIGHTS ISSUE

Proven Investments Limited is seeking to raise US\$19.7 million (whether wholly in United States dollars or in the Jamaican dollar equivalent, or a combination of both currencies) by offering to its Shareholders, as recorded on the share registry records of the Company on the Record Date, the right to participate in a rights issue of One (1) Share for every block of three (3) ordinary shares already held at a subscription price of US\$0.16/J\$18.50 per Share. Fractions of a block shall be disregarded in calculating the Shareholder's right of participation in the Rights Issue. By way of illustration, if a Shareholder owns 31,288 ordinary shares at the Record Date, that Shareholder will only be entitled to participate in the Rights Issue to the extent of 10,429 Shares.

The Rights Issue will be in respect of an additional approximately 122.9 million ordinary shares in the capital of the Company. If a Shareholder, by renouncing his provisional allotment of Shares as provided for herein does not exercise the right to subscribe for his or her entitlement, the unsubscribed Shares will become available to be issued and allotted by the Directors to other investors for subscription at the Rights Issue price.

(B) THE CONDITIONAL OFFER

In addition, by a resolution passed at an extraordinary general meeting of the Company held at the Company's registered office on February 16, 2015, the Company was authorised by its ordinary shareholders to enable the Directors to make available for subscription an additional approximately 122.9 million ordinary shares in the capital of the Company at an offer price in cash to be determined by the Directors of the Company in accordance with the Articles of Association of the Company (such offer price being no less than the offer price in respect of the Rights Issue), on terms whereby such Shareholders may elect to renounce the provisional allotment of some or all of the shares allocated to them in the further conditional offer in favour of a person of their choice, whether or not such person is also a Shareholder, PROVIDED HOWEVER that the Directors (in consultation with the Lead Brokers and the Investment Manager) shall decide in their sole discretion whether or not to accept or reject, whether wholly or partially, applications for subscription received in respect of shares over and above the shares being offered via the Rights Issue.

Accordingly, the Company will make a further conditional offer as aforesaid to Shareholders of up to 122.9 million additional ordinary shares of US\$0.01 par value in the capital of the Company, ranking *pari passu* in all respects with the Existing Ordinary Shares, at a subscription price of US\$0.16/J\$18.50 per Share.

EXPENSES OF THE OFFER

The Directors believe that the expenses associated with the Offer will not exceed 3% of the maximum Offer Amount. This figure is inclusive of lead broker fees, legal fees, accounting fees, listing fees and marketing expenses.

USE OF PROCEEDS

The net offer proceeds will be used by the Company to build its capital base. The Company intends to use the capital raised to pursue expansion and acquisition opportunities.

LISTING ON A STOCK EXCHANGE

It is the intention of the Company to apply for the Shares to be listed on the Jamaica Stock Exchange on both the United States Dollar denominated market and the Jamaican Dollar denominated market. This statement

of intention is not a guarantee that the Shares will be so listed as the acceptance of the Company's application for the listing of the Shares will depend on whether the Council of the Jamaica Stock Exchange is satisfied that the rules of the Jamaica Stock Exchange have been complied with, and that the application is in compliance with these rules.

7. THE COMPANY

Proven Investments Limited (“PIL”) is incorporated in St. Lucia as an International Business Company (“IBC”) pursuant to the International Business Companies Act, Cap. 12.14 of St. Lucia. Its registered office is located at McNamara Corporate Services Inc., 20 Micoud Street, Castries, St. Lucia.

The primary business of the Company is the holding of tradable securities for investment purposes, but the Company is also determined to pursue private equity opportunities as they arise, provided they are consistent with the overall aims and objectives of the Company. To date PIL has closed six private equity transactions in respect of Proven Wealth Limited, Asset Management Company Limited, PWL Transition Limited, Access Financial Services Limited, Knutsford Express Services Limited and Proven REIT Limited.

PIL invests its capital for the ultimate benefit of its shareholders, who will share in the returns of the Company, and intends to provide shareholders with:

- *Above average US\$ fixed income returns*
- *International and regional diversification*
- *A tax-efficient investment structure*
- *An excellent currency hedge*

The assets and operations of PIL are managed by Proven Management Limited (“PML”), which has been engaged as the Investment Manager. The Investment Manager has certain investment decision making responsibilities, in accordance with the Investment Policy.

PIL’s current capital structure is as follows:

CLASS	AUTHORISED	ISSUED	STATED CAPITAL
ORDINARY SHARES HAVING US\$0.01 PAR VALUE	2,999,990,000	368,689,855	US\$2,999,990.00
MANAGERS’ PREFERENCE SHARES HAVING US\$0.01 PAR VALUE	10,000	10,000	US\$100.00
8% PREFERENCE SHARES HAVING US\$0.01 PAR VALUE	300,000,000	200,000,000	US\$3,000,000.00

The ordinary shares in the Company were listed on the United States Dollar denominated market of the JSE in July 2011. This was also the JSE’s first US Dollar denominated ordinary share listing. In December 2011, J\$1 billion was raised through an 8% Preference Share Offer, which Preference Shares were subsequently listed on the Jamaican Dollar denominated market of the JSE. In June 2014, US\$10.3 million was raised through a Rights Issue of ordinary shares, which ordinary shares were also subsequently listed on the United States Dollar denominated market of the JSE.

PRIVATE EQUITY

Proven Wealth Limited: Proven Wealth Limited (“PWL”), (formerly Guardian Asset Management Jamaica Limited) is a securities dealer operating in Jamaica and licensed by the Financial Services Commission, which has regulatory control over the securities industry in Jamaica under the Securities Act. The Company acquired PWL in 2010 from Guardian Holdings Limited. The PWL team is experienced and has managed

billions of dollars of investments, delivered consistent returns and expert advice over the last twenty years in the financial services sector. Their know-how spans asset management, corporate finance, financial advisory services, merchant banking, stock brokerage, pension fund management and unit trust management.

PWL Transition Limited: PIL signed an agreement in April 2014 to acquire 100% of the shareholdings in First Global Financial Services Limited (“FGFS”) from First Global Holdings Limited, a subsidiary of GraceKennedy Limited. The acquisition was completed on May 30, 2014, at which time the acquired company’s name was changed to PWL Transition Limited (PWLTL) and continued business uninterrupted. PWLTL’s core business is securities dealing, asset management, corporate finance advice and arranging and pension fund management.

Total assets for PWLTL stood at US\$156.9 million as at December 31, 2014. Within the quarter ended December 31, 2014, PWLTL has significantly contributed to Net Profits of the Group. Over the coming quarters, the operations of PWLTL will be merged with that of PWL.

Asset Management Company Limited: Asset Management Company Limited (“AMCL”), acquired from a group of investors in 2012, is a consumer and business financing entity that is incorporated and domiciled in Jamaica. They are the owners of the Easy Own and eZEEas123 brands. Launched in October 2006, Easy Own allows consumers to purchase furniture and major appliances on hire purchase from participating vendors, while eZEEas123, a newly added brand, offers financing for business, personal, corporate and educational use. This is offered through AMCL directly as well as through a number of partner institutions.

Access Financial Services Limited: PIL is the largest shareholder in micro-lender Access Financial Services Limited (“Access”) through a 49% acquisition for J\$1.2 billion in December 2014. Access, one of the largest microcredit outfits, made J\$94 million net profit on J\$272 million in revenues in its September third quarter 2014, or 17 per cent higher profit than a year earlier. The company also increased its loans and advances to J\$1.2 billion or 25 per cent higher than a year earlier.

Proven REIT Limited: PIL is the 85% majority owner of Proven REIT Limited, which was formed as the vehicle for real estate related investments. In February 2012, the first of these investments was completed with a property being purchased through Proven Kingsway Limited, a wholly owned subsidiary of Proven REIT Limited.

Proven Kingsway Limited has received the requisite approvals from the various agencies for the development of an apartment complex on Kingsway Road in Kingston, Jamaica. The Kingsway development, which is expected to cost J\$200 million in addition to the US\$1 million spent to acquire the land and pay the requisite fees, began in March 2014 and is expected to be completed by April 2015 and will feature a total of 31 units.

Knutsford Express Services Limited: In December 2014, PIL increased from 10.2% to a total of 20% its stake in Knutsford Express Services Limited (“Knutsford Express”), a private transport operator based in Jamaica and listed on the Junior Market of the JSE. Proven Wealth Limited acted as brokers to the successful initial public offering of shares in Knutsford Express in December 2013. By the terms of the offer, ordinary shares amounting to 10.2% of the issued shares of Knutsford Express were reserved for Proven Wealth Limited or its affiliates, and PIL subscribed for these shares in the offering. We continue to believe that Knutsford Express provides an excellent opportunity for PIL to expand its private equity portfolio in a company that is profitable, professionally managed and has great prospects for growth in the near future.

TAX EFFICIENT STRUCTURE

As stated earlier, PIL is incorporated in St. Lucia and domiciled there as an International Business Company (“IBC”), and it has elected to pay corporate income tax at the rate of 1% in that country. Under the CARICOM double taxation treaty, based on that election, dividends paid by PIL are not taxable in other CARICOM states which are parties to the treaty (including Jamaica). Furthermore, St. Lucia does not tax distributions by St. Lucia IBCs to residents of other countries.

While the above statements represent the Directors’ understanding of the relevant taxation issues as at the date of this Prospectus, persons intending to apply for the Shares are encouraged to seek independent tax advice regarding their potential investment in the Company.

8. DIVIDEND POLICY

The Shares will entitle the holders to receive all ordinary dividends and capital distributions declared and paid by PIL after the close of the Offer. The amount of dividends paid on the Shares by PIL will be primarily based on the Company’s future profitability.

The Directors anticipate that not less than 50% of the Company’s annual after-tax profits will be distributed as dividends, subject to the requirement for re-investment of its profits to finance potential growth and to ensure sustained development, as well as due compliance with the solvency and liquidity criteria set by the Company’s Investment Policies. It is anticipated that dividends will be paid either quarterly or semi-annually.

The dividend policy will be subject to review from time to time by the Directors of the Company. The Company may pay dividends in either Jamaican Dollars or United States Dollars, at the sole discretion of the Directors. While shareholders may indicate to the Company their preferred currency of payment of dividends by making an election at the time of applying for Shares, the Directors retain the right to make, and shall make the final determination as to the currency of payment of such dividends as may be declared from time to time in respect of the ordinary shares in the capital of the Company.

9. PROFILE OF DIRECTORS

<p>Hon. Hugh Hart, O.J. (Chairman)</p>	<p>Admitted to the Bar at Grays Inn, England in 1953 and admitted as a Solicitor in Jamaica in April 1956, Mr. Hart was a Senior Partner and Consultant with the firm of Clinton Hart & Co. He has considerable experience in government, having served as a member of the Jamaican Senate from 1980-1993, as Minister of Mining & Energy from 1983 -1989 and as Minister of Tourism from 1984 –1989. Mr. Hart currently practises commercial law, specialising in the areas of taxation, real estate development, mining and corporate restructuring, and is a founding and Senior Partner in Hart Muirhead Fatta. In 2011, the prestigious national honour of the Order of Jamaica was conferred on Mr. Hart by the Government of Jamaica in recognition of his services to the bauxite and alumina industry and the legal profession, and in 2013, Mr. Hart was honoured by the Jamaican Bar Association in recognition of over 50 years of sterling service at the Jamaican Bar.</p>
<p>Rhory McNamara (Independent Director & Company Secretary)</p>	<p>Rhory McNamara is an attorney-at-law by profession and a Partner in the law firm of McNamara & Co. located in St. Lucia, where he specializes in corporate and banking law and property acquisition. He is also the Manager of McNamara Corporate Services Inc. where he has amassed several years of experience in the formation and management of International Business Companies, International Insurance Companies and International Mutual Funds formed under the respective governing legislation in Saint Lucia.</p>
<p>Yvor Nassief (Independent Director)</p>	<p>Yvor Nassief is a well accomplished Dominican businessman and former Executive Director of Dominica Coconut Products Limited from 1987-1995 and Fort Young Hotel from 1986-2009, both in Dominica. He is currently the Managing Director and owner of Archipelago Trading Ltd., Dominica, involved in money services, insurance, duty-free retail, real estate development and distribution. Between 1995 and 1997, he served in the Dominican Senate as Minister of Tourism and currently serves as Chairman of Invest Dominica, the island’s investment promotion agency. He holds a Bachelor of Arts degree from York University, Toronto.</p>
<p>Garfield Sinclair (Director) Member of Audit Sub-Committee</p>	<p>Garfield Sinclair is currently the Managing Director for LIME Jamaica and the Cayman Islands. Prior to this, he was the President & Chief Operating Officer for Dehring Bunting & Golding Limited (“DB&G”) from 1994 to 2007. He was responsible for overall performance of the operations, treasury & asset trading, brokerage, marketing and information technology units of DB&G inclusive of the subsidiaries DB&G Unit Trusts Managers Limited and DB&G Merchant Bank Limited.</p> <p>Mr. Sinclair’s educational achievements include an Executive Certificate in Strategy and Innovation from Massachusetts Institute of Technology Sloan School of Management, Executive Development Program at the University of Pennsylvania (Wharton), California Board of Accountancy – C.P.A licence (non-practising), Uniform Certified Public Accounting examination and a Bachelor of Science degree in Business Administration (Accounting) from the San Diego State University.</p>
<p>John A. Collins (Independent Director) Member of Audit Sub-Committee</p>	<p>John Collins has had a distinguished career in Trust banking, spanning over 40 years. During this time, he served in senior positions in Trust companies in England, Kenya and Jamaica, before moving to Cayman in 1966 to open and manage the Bank of Nova Scotia Trust Company (Cayman) Limited. In 1973, he moved to Ansbacher (Cayman) Limited, where he stayed until retiring as Executive Director in 1995, but continued as non-Executive Director until October 2000. Since 2000 he has acted as consultant and director to a private group of Trusts and Companies. Mr. Collins is a Fellow of the Chartered Institute of Bankers and was appointed a Member of the Most Excellent Order of the British Empire in Her Majesty the Queen’s New Year’s Honour Listing 1986.</p>
<p>Jeffrey Gellineau (Independent Director) Chairman of Audit Sub-Committee</p>	<p>Jeffrey Gellineau has had over 27 years of extensive audit experience at KPMG, Barbados. He has been the engagement partner in managing and providing audit and advisory services to clients, both regionally and internationally. This involved assessment of client’s internal controls and business risks to ensure that they are adequately addressed.</p> <p>Mr. Gellineau is a member of both the Canadian Institute of Chartered Accountants and the Institute of the Chartered Accountants of Barbados. During the period January 2009 to November 2010, he was the Project Coordinator for a World Bank funded project “Strengthening Institutional Capacity for Project Implementation” which addressed Capacity Building for Financial Management and Procurement for Capital Projects in the OECS Countries.</p>

10. THE INVESTMENT MANAGER

The assets and operations of Proven Investments are managed by Proven Management Limited (“PML”), which was incorporated in Jamaica for this purpose. PML is licensed and regulated by the FSC as a securities dealer. PIL has entered into an Investment Management Agreement with PML, which provides for the following compensation for PML as the Investment Manager:

Management Fee: A management fee of 2% per annum of the average Net Asset Value of PIL will be payable monthly for managing PIL’s assets and operations.

Manager’s Preference Shares

MPS Holdings Limited (“MPS”), an investment holding company incorporated in St. Lucia as an IBC, with the same shareholders as PML, holds the 10,000 Manager’s Preference Shares in PIL which carry the rights, terms and conditions set out in PIL’s Memorandum of Association, an extract from which is set forth in Appendix 1 to this Offering Memorandum. The Manager’s Preference Shares collectively hold 50% of the voting rights in PIL on matters other than the Investment Manager’s fees (on which each Manager’s Preference Share carries one vote).

The Manager’s Preference shares also carry the right to a dividend equal to 25% of PIL’s profits earned *in excess of* the hurdle rate, payable quarterly. The hurdle rate is a percentage return on PIL’s average equity in each financial year, set annually at the 12 Month LIBOR rate prevailing at the beginning of the financial year plus 200 bps, with a permanent ceiling of 6% and a floor of 5% for PIL’s first two years of operation.

The PML Team

PML brings together one of the most experienced teams in the local financial sector, who in aggregate have successfully managed billions of dollars of investments, delivering consistent returns and expert financial advice over the past two decades. Members of the PML team have had significant prior experience in establishing, managing and developing new businesses and returning significant financial benefits to their investors. The team’s experience spans asset management, corporate finance, financial advisory services, merchant banking, stock brokerage, pension fund management, unit trust management and includes:

PROVEN MANAGEMENT LIMITED'S TEAM	
Christopher Bicknell Chairman	<p>Christopher Bicknell is widely regarded as one of Jamaica's most successful entrepreneurs and is currently the Group CEO and Finance Manager of Tank-Weld Ltd. He has been a part of the board and senior management team of Tank-Weld for the past 20 years.</p> <p>Mr. Bicknell is a Certified Public Accountant (CPA), and has held several significant board seats including the Bank of Jamaica and RBTT Bank Jamaica Limited (now Sagicor Bank Jamaica Limited). He is currently the Vice Chairman of Food for the Poor, and is the Founding Treasurer of the Premier League Clubs Association.</p>
Garfield Sinclair Director	<p>Garfield Sinclair is currently the Managing Director for LIME Jamaica and the Cayman Islands. Prior to this, he was the President & Chief Operating Officer for Dehring Bunting & Golding Limited ("DB&G") from 1994 to 2007. He was responsible for overall performance of the operations, treasury & asset trading, brokerage, marketing and information technology units of DB&G inclusive of the subsidiaries DB&G Unit Trusts Managers Limited and DB&G Merchant Bank Limited.</p> <p>Mr. Sinclair's educational achievements include the Executive Certificate in Strategy and Innovation from Massachusetts Institute of Technology Sloan School of Management, Executive Development Program at the University of Pennsylvania (Wharton), California Board of Accountancy – C.P.A licence (non-practising), Uniform Certified Public Accounting examination and a Bachelor of Science degree in Business Administration (accounting) from the San Diego State University.</p>
Christopher Williams President & CEO	<p>Christopher Williams is responsible for overseeing the operations of Proven Management Limited and giving strategic direction and leadership towards the achievement of the organization's overall goals and objectives, as set by the Board of Directors.</p> <p>Mr. Williams was the Managing Director of NCB Capital Markets Limited and was charged with the responsibility to strategically lead, grow and manage the wealth management business of National Commercial Bank Jamaica Limited. NCB Capital Markets Limited, under Chris' guidance, grew into one of Jamaica's most successful securities dealers and brokerage houses.</p>
Johann Heaven Senior Vice President Investments	<p>Johann Heaven is responsible for leading the investment team of Proven Management Limited, including overseeing the research and analysis on local, regional and global investment opportunities across all asset classes, leading to the decision making and execution process. He provides strategic direction and oversees new product development, including the design, evaluation and valuation of structured products.</p> <p>Mr. Heaven was the Vice President for Strategic Planning, Projects and Product Development at Scotia DBG Investments Limited, where he was responsible for the strategic development process of the Group, the management of strategic projects and overseeing the research, analysis and product development process.</p> <p>Mr. Heaven is a Chartered Financial Analyst (CFA) charterholder, holds the Financial Risk Manager (FRM) certification, and has a Master's Degree in Finance from the University of London.</p>
Hon. Peter Bunting (Director on leave of absence)	<p>Hon. Peter Bunting currently serves as Minister of National Security of the Government of Jamaica. He has dedicated his life to three driving principles, Integrity, Respect, and Results. As co-founder, CEO and Chairman of Dehring Bunting & Golding Limited (DB&G), Mr. Bunting put these principles to work and demonstrated his commitment to excellence in building one of Jamaica's most innovative and successful financial institutions.</p>
Hon. Mark Golding (Director on leave of absence)	<p>Hon. Mark Golding currently serves as Minister of Justice of the Government of Jamaica and is a specialist Corporate Attorney-at-law. He has taken a leave of absence from Hart Muirhead Fatta, the firm of which he has been a partner since 1993, to assume his appointment as Minister of Justice. Mr. Golding was a founding Shareholder and Director of Dehring Bunting & Golding Limited (DB&G) and played an integral role in the success of that company.</p>

SECTION

3

11. PRESENTATION OF HISTORICAL FINANCIAL DATA
12. MANAGEMENT DISCUSSION AND ANALYSIS— NINE MONTHS ENDED DECEMBER 2014
13. PRESENTATION OF HISTORICAL FINANCIAL DATA AS AT AND FOR THE YEAR ENDED MARCH 31, 2014
14. MANAGEMENT DISCUSSION AND ANALYSIS — NINE MONTHS ENDED DECEMBER 2014
15. CORPORATE GOVERNANCE STRUCTURE
16. RISK EXPOSURES & RISK MANAGEMENT STRATEGIES
17. OTHER RISK FACTORS

**11. PRESENTATION OF HISTORICAL FINANCIAL DATA – NINE MONTHS ENDED
DECEMBER 31, 2014**

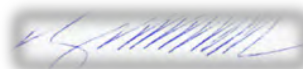
The following is a summary of key financial data (in US\$) from the unaudited financial statements of PIL (“Company”) and the consolidated financial statements of the Company and its subsidiaries (“Group”) for the periods stated. The consolidated audited financial statements of the Company and its subsidiaries for the year ended March 31, 2014 is set out in its entirety at Appendix 5.

UN-AUDITED STATEMENT OF INCOME					
	Nine Months ended December 2014	Quarter ended December 2014	Nine Months ended December 2013	Quarter ended December 2013	Year ended March 2014
	US\$	US\$	US\$	US\$	US\$
INCOME					
Interest Income	11,939,585	4,426,662	6,003,435	2,048,142	7,867,893
Interest expense	(7,897,044)	(3,062,605)	(3,302,274)	(1,138,285)	(4,648,844)
Net Interest income	<u>4,042,541</u>	<u>1,364,057</u>	<u>2,701,161</u>	<u>909,857</u>	<u>3,219,049</u>
Other income					
Gains on securities trading	2,721,864	872,733	1,992,950	468,697	2,961,907
Dividend Income	444,875	165,586	546,881	101,937	679,157
Fees & Commissions	1,460,930	539,959	33,398	5,305	206,095
Foreign exchange translation gains	331,911	96,236	870,573	205,389	1,185,277
Other Income	301,336	41,718	158,961	87,722	320,415
	<u>5,260,916</u>	<u>1,716,232</u>	<u>3,602,763</u>	<u>869,050</u>	<u>5,352,851</u>
NET REVENUE	9,303,457	3,080,289	6,303,924	1,778,907	8,571,900
OPERATING EXPENSES					
Preference dividend	1,287,820	284,853	702,616	158,434	969,443
Administrative and General Expenses	4,852,617	1,661,713	2,651,875	864,668	3,587,828
	<u>6,140,437</u>	<u>1,946,566</u>	<u>3,354,491</u>	<u>1,023,102</u>	<u>4,557,271</u>
OPERATING PROFIT	3,163,020	1,133,723	2,949,433	755,805	4,014,629
Share of Results of Associates	10,300	-	-	-	-
Gain/(Loss) on Extra Ordinary Activities	(2,676,844)	7,152	-	-	-
Gain/(Loss) on Purchase of Subsidiary	4,235,420	-	-	-	-
Profit before income tax	4,731,896	1,140,875	2,949,433	755,805	4,014,629
Income tax	(47,175)	-	(154,382)	(54,997)	(235,054)
PROFIT AFTER TAX	<u>4,684,721</u>	<u>1,140,875</u>	<u>2,795,051</u>	<u>700,808</u>	<u>3,779,575</u>
EARNINGS PER STOCK UNIT - US cents	1.27	0.31	0.95	0.24	1.28

UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME					
	Nine Months ended December 2014	Quarter ended December 2014	Nine Months ended December 2013	Quarter ended December 2013	Year ended March 2014
	US\$	US\$	US\$	US\$	US\$
PROFIT AFTER TAX	4,684,721	1,140,875	2,795,051	700,808	3,779,575
OTHER COMPREHENSIVE INCOME					
Items that are or may be reclassified to profit or loss:					
Unrealised Gain/(loss) on available-for-sale investments	(1,960,356)	(1,146,792)	(3,438,611)	274,904	(2,943,733)
Foreign exchange translation reserve	(833,351)	(140,564)	(760,490)	(276,014)	(1,061,918)
Total Comprehensive income	<u>1,891,014</u>	<u>(146,481)</u>	<u>(1,404,050)</u>	<u>699,698</u>	<u>(226,076)</u>

**UN-AUDITED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014**

	December 2014 US\$	December 2013 US\$	March 2014 US\$
ASSETS			
Cash and cash equivalents	6,291,039	4,622,144	4,480,217
Available-for-sale investments	291,990,865	118,082,363	117,216,194
Investment in associates	11,581,154	-	-
Loans receivable	10,065,494	7,316,222	17,696,625
Other receivables	16,809,974	14,672,147	8,228,364
Related company	1,431,799	845,740	38,791
Investment property	1,623,202	645,115	297,389
Intangible assets	6,920,944	2,897	530,066
Property, plant and equipment	289,459	244,119	230,784
Total Assets	347,003,930	146,430,747	148,718,430
LIABILITIES			
Client liabilities	183,719,339	41,978,387	44,076,773
Related company	-	116,250	353,355
Notes Payable	93,913,751	53,469,959	48,850,247
Preference shares	8,502,945	9,190,694	8,911,359
Other liabilities	18,340,662	9,394,144	13,507,891
Total Liabilities	304,476,697	114,149,434	115,699,625
SHAREHOLDERS' EQUITY			
Share capital	39,980,403	29,657,087	29,657,087
Investment revaluation reserve	(4,668,149)	(3,202,670)	(2,707,792)
Foreign exchange translation	(3,359,055)	(2,223,276)	(2,525,704)
Retained earnings	10,464,506	7,931,397	8,484,307
Total Shareholder's Equity	42,417,705	32,162,538	32,907,898
Non-Controlling Interest	109,528	118,775	110,907
Total Shareholder's Equity and Liabilities	347,003,930	146,430,747	148,718,430

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 Director

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 Director

**UN-AUDITED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDING DECEMBER 31, 2014**

	Share capital	Non- Controlling Interest	Fair value reserve	Foreign exchange translation reserve	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2014	29,657,087	110,907	(2,707,792)	(2,525,704)	8,484,307	33,018,806
Total Comprehensive Income for the period		(1,379)	(1,960,357)	(833,351)	4,686,101	1,891,014
Issue of Shares	10,323,316					10,323,316
Dividends to equity holders					(2,705,902)	(2,705,902)
Balance at December 31, 2014	<u>39,980,403</u>	<u>109,528</u>	<u>(4,668,149)</u>	<u>(3,359,055)</u>	<u>10,464,506</u>	<u>42,527,234</u>

**UN-AUDITED STATEMENT OF CHANGES IN EQUITY
PERIOD ENDING DECEMBER 31, 2013**

	Share capital	Non- Controlling Interest	Fair value reserve	Foreign exchange translation reserve	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2013	29,657,087	118,661	235,941	(1,462,786)	7,346,300	35,895,201
Total Comprehensive Income for the period		114	(3,438,611)	(760,490)	2,794,937	(1,404,049)
Dividends to equity holders					(2,209,840)	(2,209,840)
Balance at December 31, 2013	<u>29,657,087</u>	<u>118,775</u>	<u>(3,202,670)</u>	<u>(2,223,276)</u>	<u>7,931,397</u>	<u>32,281,313</u>

**UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31 2014**

	Period ended December 2014	Period ended December 2013
	<u>US\$</u>	<u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit after tax	4,684,721	2,795,051
Foreign exchange translation	(833,351)	(760,490)
Depreciation	111,082	59,421
Income Tax Charge	47,175	154,382
Operating cashflow before movements in working capital	<u>4,009,627</u>	<u>2,248,364</u>
Changes in operating assets and liabilities		
Receivables	(5,018,553)	(88,046)
Client Liabilities	139,642,566	9,036,543
Payables	1,222,539	232,615
Related company	(1,746,363)	(1,033,848)
Net cash provided by operating activities	<u>138,109,816</u>	<u>10,395,628</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans	7,631,131	-
Investments in subsidiary	(6,390,878)	-
Investments in Asscoiates	(11,581,154)	-
Purchase of property ,plant and equipment	(1,377,059)	(25,994)
Investments	(176,853,539)	(4,525,246)
Cash used in investing activities	<u>(188,571,499)</u>	<u>(4,551,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Notes payable	45,063,504	(1,839,527)
Issue of Preference Shares	(408,414)	(731,704)
Dividend Paid	(2,705,902)	(2,209,841)
Issue of Ordinary Shares	10,323,316	-
Net cash provided by/ (used in) financing activities	<u>52,272,504</u>	<u>(4,781,072)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,810,822</u>	<u>1,063,316</u>
Cash and cash equivalents at beginning of period	4,480,218	3,558,828
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>6,291,038</u>	<u>4,622,144</u>

12. MANAGEMENT DISCUSSION AND ANALYSIS – NINE MONTHS ENDED DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Consolidated Net Profit - US\$4.68m
- Earnings per Share - US\$0.0127
- Proposed Dividend – US\$0.0020 per share
- Annualized Return on Equity – 16.54%
- Consolidated Total Assets - US\$347.0m
- Efficiency Ratio – 65.1%

FINANCIAL PERFORMANCE

At the end of December 2014, global equity markets rallied to record highs as investors sought better returns, despite heightened geopolitical tensions. Energy markets suffered significant losses as oil prices slumped to 5-year lows. Volatility persisted in the global bond market, while US Treasury Bond yields fell to record lows at the end of the nine month period as investors sought safer investments.

The US economy continued along a positive growth path in the third quarter which saw the US dollar appreciating against most other major currencies. Europe's fragile recovery continued to lag behind the rest of the world.

Consolidated Net Profit for the nine months ended December 31, 2014 amounted to US\$4.68 million, an increase of 67.6% when compared to the same period in 2013. This profit is, however, inclusive of extraordinary gains and losses arising from the acquisition of First Global Financial Services Limited, subsequently renamed PWL Transitions Limited ("PWLTL"). Consolidated Net Profit for the third quarter was US\$1.14 million, representing a 62.8% increase over the corresponding quarter in 2013.

Net revenue for the nine month period totalled US\$9.30 million, an increase of 47.6% over the nine months ended December 2013, which derived mainly from increases in gains on securities trading, net interest income and fees and commissions. Quarter over quarter, the Group experienced a 73% increase in net revenue.

Carry Trade

Spread income was the major contributor to revenue during the period, as the strategy performed well. Net Interest Income increased by 49.92% to US\$1.36 million for the quarter ended December 2014 from US\$0.91 million for the same quarter in the previous year. Similarly, there was a 49.7% increase in interest income for the nine months period to US\$4.04 million up from US\$2.70 million from the corresponding period in 2013. While dividend income declined 19% to US\$0.44 million from US\$0.55 million for the nine month period last year, income from fees and commissions grew to US\$1.46 million, up from US\$0.03 million for the corresponding period in 2013.

Portfolio Positioning

Gains on securities trading for the nine month period amounted to US\$2.72 million, increasing by 36.6% when compared to US\$1.99 million for the same period in the previous year. Gains on our foreign exchange positions decreased by 63%, to US\$0.33 million for the nine month period, as a result of the lower rate of devaluation of the Jamaican dollar versus the US dollar during the year when compared with that for 2013.

We continue to monitor the investment arena and strategically adjust our positioning to take advantage of opportunities that fit our risk-reward criteria diversifying our portfolio across fixed income sectors and non-

bond sources of income with varied risk exposures to lower volatility, while enhancing our expected risk-adjusted returns.

Private Equity

Private equity investments that fit our risk to reward objectives continue to be a strong area of focus as we explore many opportunities throughout the region. Our current private equity holdings continue to boost our bottom-line:

❖ **Proven Wealth Limited**

Proven Wealth Limited (“PWL”) performed well during the nine month period contributing positively to the net profits of the Group. Total assets remained stable over the nine month period at US\$39.1 million. As PWL continued to execute its strategy of building sound portfolios for its clients, Total Assets under Administration increased by 29% over the nine month period, to US\$221 million as at the end of December 2014.

❖ **PWL Transition Limited**

The acquisition of First Global Financial Services Limited, subsequently renamed PWL Transition Limited (“PWLTL”), continues to bear significant fruit. PWLTL has significantly contributed to net profits of the group, contributing US\$2.50 million for the seven months since the acquisition date. Total Assets as at December 2014 stood at US\$156.9 million.

During January 2015, most of the assets, liabilities and operations of PWLTL, excluding the Pension Fund management business, were merged with those of PWL. This should result in significant cost savings and synergies in the ensuing quarters.

❖ **Asset Management Company Limited**

Asset Management Company Limited (“AMCL”) during the period under review contributed well to the net revenue of the Group. The company, which offers consumer, personal, student and micro-business loans, experienced a 117% growth in total assets to US\$4.81 million from US\$2.21 million in the comparable period last year. This growth was attributable to a 112% increase in loans receivable.

❖ **Proven REIT Limited**

PIL is the 85% shareholder in Proven REIT Limited. The company’s residential development on Kingsway Avenue in Kingston, Jamaica, is progressing ahead of schedule and is expected to be completed by April 2015. The sale of units have also been advancing as planned with approximately 25% of the 31 apartment units sold as at December 31, 2014.

Proven REIT’s total assets stand at US\$1.6 million as at December 31, 2014. REIT has also acquired an additional parcel of land in Kingston 8, Jamaica and expects to break ground by March 2015 for another residential development. The Proven REIT team continues to scope the local and international real estate markets for investment opportunities.

❖ **Knutsford Express Services Limited**

During the period under review, PIL increased its stake in Knutsford Express Services Limited (“Knutsford Express”) to a total of 20% ownership in that company, resulting in Knutsford Express

being classified as an Associated Company of PIL. Knutsford Express continued to generate improved results with an increase in revenues for the six months ended November 2014 of 51.6% over the comparative period last year to J\$206.9 million, due to the growth in passenger travel. Profit after taxation for the six-month period grew by 58.4% to J\$29.4 million when compared with the same period last year.

❖ **Access Financial Services Limited**

During December 2014, PIL acquired a 49.27% stake in Access Financial Services Limited (“Access”), making it the largest shareholder in the micro-lending company. Access, one of the largest microcredit companies in Jamaica, made J\$94 million in net profit on J\$272 million in revenues for third quarter ended September 30 2014, or 17% higher profit than a year earlier. The company also increased its loans and advances to J\$1.2 billion, a 25% increase over the prior year. Over the coming quarters, we expect to generate further synergies and growth with the amalgamation of the Access loan portfolio with that of AMCL.

OPERATING EXPENSES

For the nine months ended December 31, 2014, consolidated operating expenses increased by 83.1% to US\$6.14 million from US\$3.35 million in the prior period as a result of the amalgamation of PWLTL in the Group’s results, as well as higher dividends on the Manager’s Preference shares declared during the quarter. As a result, our efficiency ratio increased to 66% compared to 53% for the same period in 2013. Over the coming quarters, expense management and consolidation will be a key focus of management, as we seek to get the efficiency ratio closer to the 50% target.

NET PROFIT

Consolidated net profit totalled US\$4.68 million or 1.27 cents per share versus US\$2.80 million or 0.95 cents per share in the prior year’s nine month period, representing a Return on Average Equity of 16.54% on an annualized basis.

BALANCE SHEET

Total assets amounted to US\$347 million as at December 2014, up from US\$146.4 million as at December 2013, as a result of the acquisition and consolidation of PWLTL and additional investments in Associate Companies - Access Financial Services Limited and Knutsford Express Services Limited. Total Liabilities increased to US\$304.5 million as at December 31, 2014 from US\$114.1 million as at December 31, 2013, as securities sold under repurchase agreements were significantly higher at US\$183.7 million compared to US\$42.0 million as at December 31, 2013. Repurchase Agreements with PWLTL accounted for US\$147.8 million of this quarter’s figure. Notes Payable almost doubled to US\$93 million from US\$53 million the same time last year.

SHAREHOLDER’S EQUITY

Shareholder’s Equity increased by 32% from US\$32.2 million as at December 31, 2013 to US\$42.4 million as at December 31, 2014, in line with a US\$10.3 million increase in Share Capital from the Rights Issue in June 2014, as well as a 32% increase in retained earnings.

DIVIDEND PAYMENT

The Board of Directors has approved a dividend payment of US\$0.0020 per share to all ordinary shareholders on record as at February 25, 2015 to be paid on March 11, 2015. This payment will bring the total dividend for the financial year to date to US\$0.0073 per share, representing an annualized tax-free dividend yield of 5.5% based on the average share price of US\$0.177 for the nine months ended December 31, 2014.

SUBSEQUENT EVENT

In March 2015, PIL closed an offering of secured debt. The offering, which was done by way of an exempt distribution, saw PIL successfully raise J\$821.5 million for the purposes of partially refinancing the cost incurred in the acquisition of the shares in Access Financial Services Limited. The Note issued by PIL carries a coupon rate of 10.50%, and matures in June 2017, with PIL having the option to retire the Note at any time after March 2016. The obligations represented by the Note are secured by PIL's shares in Access Financial Services Limited and Knutsford Express Services Limited.

13. PRESENTATION OF HISTORICAL FINANCIAL DATA AS AT AND FOR THE YEAR ENDED MARCH 31, 2014

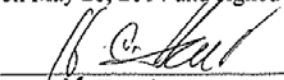
The following is a summary of key financial data (in US\$) from the audited financial statements of PIL (“Company”) and the consolidated financial statements of the Company and its subsidiaries (“Group”) for the periods and at the period-ends stated.

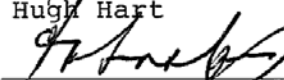
PROVEN INVESTMENTS LIMITED

Statement of Financial Position
March 31, 2014

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

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


 _____ Chairman
 Hugh Hart


 _____ Director
 Garfield Sinclair

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

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

PROVEN INVESTMENTS LIMITED

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

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

PROVEN INVESTMENTS LIMITED

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

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

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2014

	Group		Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities:				
Profit for the year	3,780	4,155	4,140	3,098
Adjustments for:				
Depreciation	61	73	-	-
Amortisation	15	15	-	-
Adjustment on revaluation of investment property	32	-	-	-
Interest income	(7,868)	(7,361)	(5,192)	(3,622)
Interest expense	4,649	4,474	3,204	2,535
Loss on disposal of fixed assets	-	1	-	-
Unrealised foreign exchange gain	(1,650)	(1,228)	(1,011)	(49)
Income tax charge	235	390	10	46
	(746)	519	1,151	2,008
Change in operating assets and liabilities				
Investment securities	(3,628)	(10,939)	(9,470)	(21,682)
Loans receivable	(4,234)	9,258	(4,589)	454
Other assets	(2,253)	409	112	1,562
Owed by related party	(11)	(25)	(20)	(155)
Other liabilities	4,365	310	(21)	186
Repurchase agreements	12,705	(3,974)	15,527	(967)
Income tax recoverable	3,278	1,443	-	(40)
Resale agreements	217	(1,633)	1,311	4,955
Credit linked notes	(1,573)	(2,797)	-	(688)
Owed to related party	24	225	1,673	296
	8,144	(6,062)	5,674	(14,071)
Interest received	7,578	7,239	5,078	3,415
Interest paid	(4,388)	(4,858)	(3,308)	(2,694)
Income tax paid	(32)	(380)	(15)	-
Net cash provided by/(used in) operating activities	11,302	(4,061)	1,755	(13,350)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(65)	(18)	-	-
Purchase of intangible asset	-	(608)	-	-
Net cash used in investing activities	(65)	(626)	-	-
Net cash flows from operating and investing activities	11,237	(4,687)	1,749	(13,350)

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2014

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

PROVEN INVESTMENTS LIMITED

Note to the Summary Financial Statements
March 31, 2014

Basis of preparation of the summary financial statements

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at March 31, 2014 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) all subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized financial statements.

The audited financial statements of the Company are attached at Appendix 5.



KPMG Eastern Caribbean
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Castries, Saint Lucia

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(758) 453-0625
Fax (758) 453-6507
e-Mail kpmg@kpmg.lc

Independent Auditors' Report on the Summary Financial Statements

The Board of Directors
Proven Investments Limited

The summary financial statements set out on pages 30 to 35, which comprise the summary statement of financial position as at March 31, 2014, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and related note, are derived from the audited separate financial statements of Proven Investments Limited ("the Company") and the audited consolidated financial statements of the Company and its subsidiaries ("the Group") as at and for the year ended March 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated May 26, 2014. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to that date.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Proven Investments Limited.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary of the audited financial statements on the basis described in the note to the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Proven Investments Limited as at and for the year ended March 31, 2014 are consistent, in all material respects, with those financial statements, on the basis described in the note to the summary financial statements.

Chartered Accountants
Castries, Saint Lucia

March 4, 2015

KPMG Eastern Caribbean, a partnership registered in Antigua & Barbuda, St. Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Frank V. Myers Brian A. Glasgow
Cleveland S. Seaforth Reuben M. John



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Morgan Building
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The Board of Directors
Proven Investments Limited
20 Micoud Street
Castries
Saint Lucia

March 4, 2015

Gentlemen:

Prospectus for a rights issue of shares by Proven Investments Limited

With respect to the prospectus for a rights issue of shares by Proven Investments Limited, we hereby consent to the inclusion in the prospectus of (i) our audit report, dated May 26, 2014, on the statement of financial position of the company as of March 31, 2014 and the related statements of profit or loss and comprehensive income, changes in equity and cash flows for year then ended, and (ii) our report on the summary financial statements as at and for the year ended March 31, 2014 and to the references to our name in the form and context in which they are included in the prospectus,

We confirm that we have not withdrawn such consent before delivery of a copy of the prospectus to the Financial Services Commission for registration.

This letter should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of such reports.

Yours faithfully,
For and on Behalf of KPMG

Frank V. Myers
Partner

KPMG Eastern Caribbean, a partnership registered in Antigua & Barbuda, St. Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Frank V. Myers Brian A. Glasgow
Cleveland S. Seaforth Reuben M. John

14. MANAGEMENT DISCUSSION AND ANALYSIS - YEAR ENDED MARCH 2014

- Consolidated Net Profit - US\$3.78m
- Earnings per Share - US\$0.0128
- Efficiency Ratio – 53.16%
- Annualized Return on Equity – 10.97%
- Consolidated Total Assets - US\$148.72m

FINANCIAL PERFORMANCE

The global economy continued to grow at a modest pace during the year ended March 31, 2014 even amongst increased geo-political and economic uncertainty. The international financial markets continue to experience high levels of volatility, with steady and cautioned recovery to the upside. While general market sentiment was mixed, central banks around the world remained cautious, while the US Federal Reserve began tapering its asset purchase program, in the context of a slowly improving economic outlook.

Our consolidated net profit for the year ended March 31, 2014 amounted to US\$3.78 million, with Net Revenue amounting to US\$8.57 million. Performance in our three core strategic drivers of income over the period was mixed.

Carry Trade

We continued to raise funds by issuing notes through private placement to execute our carry trade strategy. Spread income was a major contributor to revenue during the period as the strategy performed well. Net interest income increased by 11.42% to US\$3.22 million from US\$2.89 million in the prior year. Dividend Income was lower at US\$0.68 million from US\$1.26 million in the prior year as we continued to strategically reposition our Balance Sheet given the heightened volatility in the markets.

Portfolio Positioning

While we increased our equity exposure, fixed income instruments remained the core of our portfolio, representing over 80% of our holdings. Net fair value adjustments and realized gains amounted to US\$2.96 million compared to US\$4.15 million a year earlier, as fixed income markets tightened during the year and the opportunities for realizing trading gains were reduced. Gains on our foreign exchange positions also decreased by 24.62% to US\$1.19 million for the twelve month period.

We continued to monitor the investment arena and strategically adjust our positioning to take advantage of opportunities that fit our risk-reward criteria, diversifying our portfolio across fixed income sectors and non-bond sources of income with varied risk exposures to lower volatility, while enhancing our expected risk-adjusted returns.

Private Equity

Private equity investments that fit our risk-reward objectives continued to be a strong area of focus as we explored many opportunities throughout the region. During the financial year, we saw an uptick in deal flow including direct equity investments as well as mezzanine debt investments. Our current private equity holdings continue to boost our bottom-line:

- Proven Wealth Limited
Proven Wealth Limited performed well during the twelve month period contributing positively to the net profits of the Group. Total Assets stood at US\$45.36 million at the year end, compared to US\$48.70 million at the end of the March 2013 financial year, as PWL continued to execute its

strategy of building sound portfolios for its clients. Total Assets under Administration increased by 96.96% over the year, to US\$141.22 million as at the end of March 2014.

- **Asset Management Company Limited**
Asset Management Company Limited (“AMCL”) during the year contributed well to the net revenue of the Group. The company, which offers consumer, personal, student and micro-business loans, saw the loan portfolio hitting the US\$2.65 million mark as at 31 March 2014.
- **Proven REIT Limited**
Proven REIT Limited, of which PIL is the majority owner, commenced the development of an apartment complex in Kingston, Jamaica. The Kingsway development, which is expected to cost J\$200 million in addition to the US\$1 million spent to acquire the land and pay the requisite fees, is progressing ahead of schedule and is expected to be completed before the end of the 2014/15 financial year.

Proven REIT is also in the preliminary stages of striking a deal to acquire two additional properties locally and is close to purchasing its first offshore investment — which is likely to be a commercial property in the Cayman Islands.

- **Knutsford Express Services Limited**
As at March 31, 2014, PIL had acquired a 10% stake in Knutsford Express Services Limited through reserved shares in the successful initial public offering of shares in that company, for which Proven Wealth was the lead broker. We believe that Knutsford Express provides an excellent opportunity for PIL to expand its private equity portfolio in a company that is profitable, professionally managed and has great prospects for growth in the near future.
- **PWL Transition Limited**
Subsequent to the financial year end, PIL signed an agreement to acquire 100% of the shareholdings in First Global Financial Services Limited (“FGFS”) from First Global Holdings Limited, a subsidiary of GraceKennedy Limited.

The company (whose name was later changed to PWL Transition Limited) is licenced by the Financial Services Commission as a Securities Dealer, Pension Fund Manager and Pension Fund Administrator. Its products and services include bonds, stocks, mutual funds, money market investments, portfolio management, structured financing and pension fund management and administration.

As stated by Mr. Christopher Williams, CEO of Proven Management Ltd at the time of the acquisition, “The decision to acquire FGFS was a strategic one and will build on the great foundation that Proven has set for itself. FGFS’ clients will continue to receive first-rate customer service”.

OPERATING EXPENSES

Consolidated operating expenses decreased by 15.6% to US\$4.56 million from US\$5.40 million in the prior year despite continued inflation in the economy. Our Efficiency Ratio improved to 53.16% compared to 54.30% a year earlier.

NET PROFIT

Consolidated net profit totalled US\$3.78 million or US\$1.28 cents per share versus US\$4.16 million or US\$1.41 cents per share in the prior year representing a Return on Equity of 10.97% on an annualized basis.

BALANCE SHEET

Total assets amounted to US\$148.72 million, up from US\$144.16 million as at March 31, 2013, with Loans receivable contributing the majority of this, increasing by US\$4.23 million to US\$20.3 million as at the year end. The increase in total assets was funded mainly by an increase in securities sold under repurchase agreements which increased to US\$44.08 million compared to US\$31.37 million as at March 31, 2013.

SHAREHOLDER'S EQUITY

Despite a 15.48% increase in Retained Earnings to US\$8.48 million, Shareholder's Equity declined from US\$35.90 million to US\$33.02 million as at March 31, 2014. This was mainly the result of a reduction in our Foreign Exchange Translation and Investment Revaluation Reserves, due primarily to the negative movement in bond market prices over the twelve month period.

DIVIDEND PAYMENT

The Board of Directors approved a dividend payment of US\$0.0020 per share to all ordinary shareholders on record as at June 10, 2014 and this was paid on June 24, 2014. This payment brought the total dividend for the financial year-to-date to US\$0.0078 per share and represented an annualized tax-free dividend yield of 6% on the average share price of US\$0.13 per share for the financial year.

15. CORPORATE GOVERNANCE STRUCTURE

The corporate governance structure of Proven Investments Limited is led by its experienced Board of Directors. Supporting the Board is the management team provided by Proven Management Limited. A short description of the key roles and functions of each is set out below:

A. *PIL's Board of Directors*

The Board of Directors has the following responsibilities as it relates to the investment management process –

- I. The engagement of the Investment Manager and the monitoring of its performance.
- II. The overseeing of the establishment of appropriate systems and internal controls designed to ensure that the investment activities and holdings are consistent with the strategies of the Company and that the implementation of the strategies remains consistent with the portfolio policy objectives.
- III. The annual review and approval of the Company's investment policies and procedures.
- IV. The review of the Company's investment activities and holdings at Board meetings.

B. *The Investment Manager*

The Investment Manager is responsible for recommending to the Board of PIL investment policies and procedures consistent with Company policy. It also has certain investment decision making responsibilities, in accordance with the Investment Policy. PML has an Investment Management Committee which meets monthly (or more frequently when necessary), and is accountable to its Board of Directors.

C. *The Investment Management Committee (IMC)*

The specific duties of the IMC are to:

- I. receive and review data on current market conditions and economic outlook in regional and international markets
- II. review monthly reports on -
 - a. investment portfolio strategy, objectives and results
 - b. summaries of all portfolio positions and their market values, including details of all major categories of securities held in the portfolio.
 - c. details of portfolio segmentation, mix, yields, cost and market values
 - d. portfolio duration
 - e. cash flow and liquidity
- III. disclose any exceptions to this policy, and the plan and timetable within which compliance will be achieved.

The IMC approves the purchase, sale and exchange of securities, investments and loans, within stipulated policy guidelines and limits.

D. *PML's Management*

The management of Proven Management Limited is responsible for:

- I. formulating investment portfolio strategy, objectives and results in conjunction with the clients;

- II. conducting the necessary due diligence on each asset category and on individual securities;
- III. purchasing and selling investments within the approved portfolio mix and subject to discretionary limits;
- IV. valuation and pricing of the portfolios;
- V. reviewing the portfolios on an ongoing basis; and
- VI. reporting on the portfolios to the Investment Management Committee and PML's Board of Directors

16. RISK EXPOSURES & RISK MANAGEMENT STRATEGIES

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

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

- (i) Investment Management Committee
- (ii) Audit and Compliance Committee

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

The Audit and Compliance Committee is responsible for assisting the Board of Directors of the Company in fulfilling its oversight responsibilities for:

- The integrity of the Company's financial statements.
- The Company's policies, programs and procedures to ensure compliance with the relevant legal and regulatory requirements, the Company's Code of Ethics and Conduct, policies, other relevant standards and best practice.
- The Company's efforts to comply with legal obligations arising from material agreements and undertakings, and
- The qualifications and independence of the Company's external auditors.
- The performance of PIL's internal audit function and its external auditors

The key risks to which the Company is exposed and the manner in which it manages them are as follows:

Credit Risk - Credit risk is the risk of default by an obligor. This risk is managed primarily by reviews of the financial status of each obligor. Credit risk may be disaggregated into three (3) types of risk:

- i. *Default (Counterparty) risk* – the possibility that the issuer will fail to meet its payment obligations or other contractual covenants. Technical default may occur due to the issuer's violation of other agreed terms (e.g. failure to maintain a certain financial ratio at/above a pre-determined level).
- ii. *Credit spread risk* – measured by the amount of yield differential above the return on a benchmark, default-free security (e.g. Treasury bills) demanded by investors to compensate for buying the riskier security. The risk is that the riskier security might offer a lower than required premium.

- iii. *Downgrade risk* – risk that a bond will be reclassified as a riskier security by a credit rating agency (e.g. Standard & Poor's). A downgrade in the rating of a security usually leads to a fall in its market price.

To mitigate credit risk exposure, the Company:

- I. Seeks to ensure that no credit rating for an asset falls below the minimum approved rating. Credit ratings are sourced from International rating agencies such as S&P, Moody's or CariCris, or from internal credit research.
- II. Ensures that the assets are diversified across various issuers (e.g. countries, corporations) subject to limitations on the maximum exposure to any one issuer.

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

The Company's liquidity management process includes:

- i. Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- ii. Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- iii. Optimising cash returns on investment;
- iv. Monitoring statement of financial position liquidity ratios against internal requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and
- v. Managing the concentration and profile of debt maturities. Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

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

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

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

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

Operational risk: Operational Risk is the risk arising from execution of an enterprise's business functions and in particular the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as:

- i. Internal Fraud - misappropriation of assets, tax evasion, intentional mismarking of positions, bribery;
- ii. External Fraud - theft of information, hacking damage, third-party theft and forgery;
- iii. Employment Practices and Workplace Safety - discrimination, workers compensation, employee health and safety;
- iv. Clients, Products, & Business Practice - market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning;
- v. Damage to Physical Assets - natural disasters, terrorism, vandalism;
- vi. Business Disruption & Systems Failures - utility disruptions, software failures, hardware failures;
- vii. Execution, Delivery, & Process Management - data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets.

17. OTHER RISK FACTORS

REGULATORY UNCERTAINTIES

Changes in approach by regulators of PIL and/or its subsidiaries in relation to existing regulatory requirements or the introduction of new regulations, may affect the operations of PIL and affect its profitability.

TAXATION UNCERTAINTIES

The tax structure which provides one of the advantages of investing in PIL to Applicants who are resident in Jamaica or other CARICOM states that are parties to the CARICOM Double Taxation Treaty, may be subject to change in the future, a factor over which PIL has no control.

SHARE PRICE VOLATILITY

The Shares, if listed on the JSE as intended, may experience significant volatility in price, which may extend beyond the short term and which may be dependent on PIL's performance, investors' confidence and other factors over which PIL has no control.

FOREIGN EXCHANGE RISK FACTOR

Investors in the Shares shall assume and bear the full foreign exchange rate risk. An investor's investment, if made in United States Dollars, may be eroded, in Jamaican Dollar terms, if the Jamaican Dollar was to revalue against the United States Dollar.

CONTROL

Pursuant to the terms of the Memorandum and Articles of Association of PIL, the Shares collectively hold 50% of the voting rights in PIL, with the Manager's Preference Shares holding the other 50% on matters other than the Investment Manager's fees. The holders of the Shares will therefore not have absolute majority voting control of PIL on such matters.

ISSUE OF ADDITIONAL SHARES

The Directors of the Company may hereafter authorize the issue of additional ordinary shares in the Company. Such shares, once issued, may rank *pari passu* with the existing ordinary shares and may be listed on the JSE or on any other stock exchange(s). Additional shares so issued could affect the market price of the Shares currently being offered.

PAYMENT OF DIVIDENDS

The payment of dividends on the Shares will be primarily dependent on PIL's future profitability, and will be at the discretion of the Directors. In addition, the Company may pay dividends in either Jamaican Dollars or United States Dollars, at the sole discretion of the Directors. While shareholders may indicate to the Company their preferred currency of payment of dividends by making an election at the time of applying for Shares, the Directors retain the right to make, and shall make, the final determination as to the currency of payment of such dividends as may be declared from time to time in respect of the ordinary shares in the capital of the Company.

MACRO-ECONOMIC POLICIES

Changes in fiscal and monetary policies by the Government of Jamaica may create opportunities as well as challenges for PIL.

NEW ACCOUNTING RULES OR STANDARDS

PIL may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require changes in the way PIL reports its financial position, operating results or cash flows. Such changes could be applied retrospectively.

RISKS ASSOCIATED WITH INTERNATIONAL CONDITIONS

PIL's financial results may be adversely affected by international risks, such as:

- international political and economic conditions;
- changes in Government regulations in various countries;
- trade barriers;
- adverse tax consequences

SECTION

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- 18. LICENSES & REGULATORY FRAMEWORK
- 19. LITIGATION
- 20. CONSENTS
- 21. DOCUMENTS AVAILABLE FOR INSPECTION
- 22. STATUTORY & GENERAL INFORMATION
- 23. APPLICATION PROCEDURES
AND CONDITIONS

18. LICENSES & REGULATORY FRAMEWORK

PIL does not hold, nor is it required to hold, any licences in Jamaica or in St. Lucia. PIL is registered as an international business company under the International Business Companies Act of St. Lucia, and is of good standing within the meaning of Section 116 of the International Business Companies Act of St. Lucia.

Proven Management Limited (the Investment Manager) is licensed by the Financial Services Commission of Jamaica as a securities dealer and investment adviser.

Proven Wealth Limited (a wholly-owned subsidiary of Proven Investments Limited) is licensed by the Financial Services Commission of Jamaica as a securities dealer and investment adviser and is a member-dealer of the Jamaica Stock Exchange.

PWL Transition Limited (a wholly-owned subsidiary of Proven Investments Limited) is licensed by the Financial Services Commission of Jamaica as a securities dealer, investment adviser and pension fund manager and administrator.

19. LITIGATION

Neither the Company nor any of its subsidiaries is currently engaged in any material litigation, nor are they aware of any pending material litigation.

20. CONSENTS

KPMG Eastern Caribbean has given and has not withdrawn its consent (as set out at Appendix 2 hereto) to the issue of this Prospectus with the inclusion therein of its report and the references to its name in the form and context in which they are included.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on any Business Day during the hours of 9:00 am to 4:00 pm, at the offices of Proven Management Limited, 26 Belmont Road, Kingston 5:

- (1) the Memorandum and Articles of Association of PIL;
- (2) the Investment Management Agreement between PIL and PML
- (3) the Consolidated Audited Financial Statements for the Company and its Subsidiaries as at and for the year ending March 2014

22. STATUTORY & GENERAL INFORMATION

PIL is a company incorporated under the laws of St. Lucia, and this Prospectus is being issued only to existing members of the Company. Accordingly, its issue of this Prospectus in Jamaica is governed by Sections 372-377 inclusive of the Companies Act of Jamaica 2004 (the "Act").

Pursuant to Section 373 (4) of the Act, the Company is exempt from the requirements to state the matters specified in Part I of the Third Schedule and to set out the reports specified in Part II of the Third Schedule.

The application lists will open at 9:00 a.m. on the Opening Date and will close at 4:00 pm on the Closing Date. The Company reserves the right to close any application list at any time without notice if Applications have been received for the full amount of the respective Shares offered and the right to extend such closing beyond the date(s) above-mentioned and/or offer Ordinary Shares greater in number than originally offered.

All Applicants will be required to pay in full, on Application, the Offer Price per Share in accordance with the provisions of Section 23 hereof. No further sum will be payable on Allotment.

Applicants (being Shareholders of the Company, as defined herein) may elect to renounce the provisional allotment of some or all of the Shares allocated to that member in the Offer, in favour of any person in the manner provided in the Application Form enclosed with this Prospectus, whether or not such person is a Shareholder of the Company.

23. APPLICATION PROCEDURES AND CONDITIONS

1. You may apply for Shares in the Offer by means of the Application Form enclosed with this Prospectus. Applications will be accepted only from Applicants who are Shareholders, (i.e., ordinary shareholder(s) in the Company as recorded on the share registry records of the Company as at the Record Date). However, Applicants may, if they so elect, renounce the provisional allotment of some or all of the Shares allocated to that Applicant in the Offer, in favour of any person in the manner set out in paragraph 5 hereof and in the Application Form, whether or not such person is a Shareholder. Your duly completed and signed Application Form should be delivered to the offices of either of the Lead Brokers on or before **4:00 pm** local time on the Closing Date.

The full amount payable for the Shares for which you are applying (being the number of Shares, multiplied by the Offer Price of US\$0.16 per Share in the case of a US\$ subscription or the number of Shares, multiplied by the Offer Price of J\$18.50 per Share in the case of a J\$ subscription) must be paid either entirely:

- (i) by a US\$ (in the case of a US\$ subscription) or J\$ (in the case of a J\$ subscription) banker's draft drawn on a Jamaican commercial bank and made payable to "Proven Investments Limited"; OR
- (ii) by wire transfer or Real-time Gross Settlement (RTGS) transfer to the bank account (and in accordance with the wire transfer details) which PIL shall specify (in which case a wire transfer confirmation provided by the sending bank should be submitted to either of the Lead Brokers along with your duly completed and signed Application Form).

Applicants who have an investment account with any of the Lead Brokers may submit to the Lead Broker with whom such investment account is held a letter of instruction authorising them to apply funds standing to the credit of such Applicant against the subscription price payable in respect of their application for Shares.

2. The Directors of PIL in their sole discretion may accept (in whole or in part) or reject any Application, even if the Application is received, validated and processed. The acceptance may be in respect of the whole or any part of the Application and, accordingly, the allocated number of Shares may be less than the amount specified in the Application Form. The Shares may be allocated and issued to Applicants on a basis determined by the Directors in their sole discretion.
3. The acceptance (in whole or in part) by PIL of an Application for Shares will result in a binding contract for the Applicant's subscription, at the Offer Price, for the number of Shares in respect of which the application has been accepted, (or, where applicable, *mutatis mutandis*, with the person in favour of whom the Applicant has renounced, to the extent of such renunciation).
4. The Directors, in consultation with the Investment Manager and Lead Brokers, may close the Offer prior to the Closing Date stated herein, or may extend the Closing Date to a date beyond the date stated herein.
5. Each Applicant may elect, by the appropriate completing and signing of the relevant sections of the Application Form enclosed with this Prospectus, to direct the Company that the Applicant is irrevocably renouncing the provisional allotment of the Shares for which the Applicant has applied (or such portion of those Shares as is specified by the Applicant in the Application Form) in favour of a person specified in the Application Form. The person to whom the Applicant so renounces may, but need not be, a Shareholder of the Company (as defined herein). In the event that the Applicant so renounces, the Shares which are the subject of the renunciation (or some of them, in the event such Shares represent Shares in excess of the Applicant's entitlement pursuant to the Rights Issue and the Directors elect only

to issue some but not all of the additional Shares applied for) shall be allotted and issued by the Company in the name of the person(s) in favour of whom the Applicant has renounced, and such person(s) shall be irrevocably obliged to accept such allotment.

6. In respect of each Application which is accepted in whole or in part by PIL, PIL will issue a letter(s) of allotment in the name of that Applicant (or in the joint names of joint Applicants), or in the name of the person(s) in whose favour the Applicant has renounced as provided in the preceding paragraph 5, for the number of Shares allotted to the Applicant and/or to such person(s). The letters of allotment will be sent to the Lead Broker through which the corresponding Application was received, who will distribute same (if by mail, at the Applicant's and/or such person's risk) to the Applicant. The letters of allotment are not assignable or otherwise transferable.
7. Cheques for the amounts refundable to Applicants whose Applications are not accepted in whole or in part will be sent to the Lead Broker through which such Application was received, who will distribute same (if by mail, at the Applicant's risk) to the addresses of the relevant Applicants (or of the first-named joint Applicant) as stated in the Application Form. PIL will use its best efforts to send the letters of allotment and refund cheques to the Lead Brokers within seven working days after the Closing Date or as soon thereafter as practicable.
8. If the application to list the Shares on the Jamaica Stock Exchange is successful, the Shares issued pursuant to the offer will be issued in the JCSD for the credit of the accounts of the successful Applicants and/or, where applicable, to the person(s) to whom Applicants have renounced in accordance with paragraph 5 above (to the extent to which they become entitled to be allotted and issued Shares as a result of such renunciation). If the application to list the Shares on the Jamaica Stock Exchange is not successful, a share certificate comprising the Shares issued to each successful Applicant and/or, where applicable, to persons to whom Applicants have renounced in accordance with paragraph 5 above (to the extent to which they become entitled to be allotted and issued Shares as a result of such renunciation) will be sent to such Applicant within thirty (30) days after the Offer closes or as soon thereafter as practicable.
9. Letters of allotment and share certificates (where applicable), if mailed by the Lead Brokers on behalf of PIL (as the case may be) through the post to the address of the Applicant (or of the first-named joint Applicant) or to the person in whose favour the Applicant has renounced, as stated in the Application Form, are at the risk of the Applicant or such person (as the case may be).
10. Application Forms and Letters of allotment are not renounceable (except insofar as provided herein at paragraph 5), transferable or assignable.

Dated as of the 12th day of March, 2015

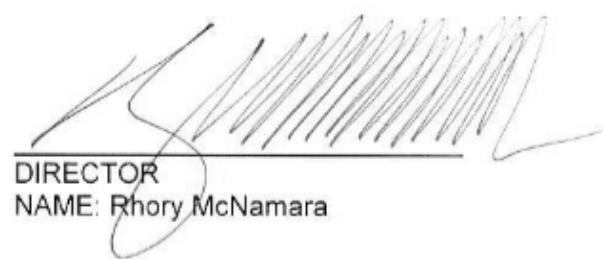
Signed on behalf of PROVEN INVESTMENTS LIMITED by:



DIRECTOR
NAME: Hugh Hart
*(in his own behalf and as agent for
Yvor Nassief, John Collins and Jeffrey Gellineau)*



DIRECTOR
NAME: Garfield Sinclair



DIRECTOR
NAME: Rhory McNamara

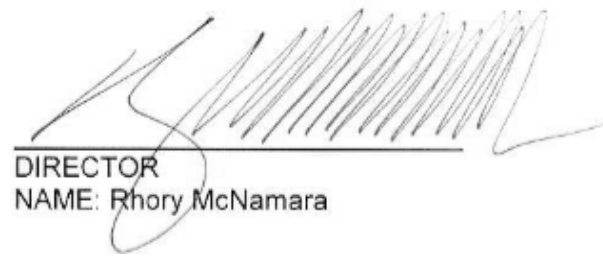
We hereby certify, pursuant to Section 372 (3) of the Companies Act 2004 of Jamaica, that this Prospectus was approved for issue on the date hereof by a resolution of the Board of Directors of Proven Investments Limited.



DIRECTOR
NAME: Hugh Hart



DIRECTOR
NAME: Garfield Sinclair



DIRECTOR
NAME: Rhory McNamara

SECTION

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24. APPENDIX 1:
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MANAGER'S PREFERENCE SHARES
26. APPENDIX 2:
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24. APPENDIX 1: RIGHTS, TERMS AND CONDITIONS OF THE MANAGER'S PREFERENCE SHARES

The following is an excerpt from PIL's Memorandum of Association:

7. The authorized capital is made up of two classes of Shares, being:
- (1) 2,999,990,000 Ordinary Shares of a par value of US\$0.01 each; and
 - (2) 10,000 Manager's Preference Shares of a par value of US\$0.01 each, which shall the following rights, terms and conditions:
 - (a) the Manager's Preference Shares shall rank *pari passu* as between and among themselves;
 - (b) each Manager's Preference Share be entitled to a cumulative annual preference dividend in the sum which is equal to – (i) **25%** of the profits and gains of the Company (calculated in accordance with International Financial Reporting Standards prevailing from time to time, and expressed in US Dollars) in each financial year *in excess of* the Annual Earnings Hurdle (expressed in US Dollars) for such financial year, *divided by* (ii) the number of Manager's Preference Shares in issue when the said cumulative annual preference dividend is paid; and for this purpose the Annual Earnings Hurdle shall be the amount which results when the Hurdle Rate is applied to the average equity of the Company during such financial year;
 - (c) For the purposes of paragraph (b) of sub-clause 7(2), the Hurdle Rate will be determined and reset annually, and the Hurdle Rate applicable to a particular financial year of the Company shall be fixed as at the first day of that financial year and shall be the rate which is 2% per annum above the 12-month LIBOR rate prevailing on that day, provided however that – (i) the Hurdle Rate shall be capped at and shall in no event exceed **6%**, and (ii) during the first two (2) financial years of the Company the Hurdle Rate shall not be less than **5%**;
 - (d) during each financial year of the Company, an amount being equal to the Investment Manager's best estimate of one-fourth (1/4) of the current financial year's cumulative annual preference dividend (calculated by reference to the Company's management accounts for each financial quarter and financial year-to-date and the Investment Manager's good faith projections of the Company's earnings for the remainder of such financial year) shall be paid each financial quarter in arrears to the holders of the Manager's Preference Shares (on account of the cumulative annual preference dividend for that financial year), and any adjustment which may be required based on the Company's annual audited financial statements shall be added or recovered (as the case may require) in equal instalments over the next four successive quarterly payments arising after the Company's annual audited financial statements are finalised;
 - (e) paragraph (b) and/or (c) of sub-clause 7(2) may be varied by an ordinary resolution of members which is supported by the affirmative vote of the holder(s) of a majority of the Manager's Preference Shares, but shall not otherwise be varied without the

approval in writing of the holder(s) of a majority of the Manager's Preference Shares;

- (f) in the event that the cumulative annual preference dividend is not paid in full in respect of any particular financial year of the Company, the unpaid portion thereof shall accumulate and be payable out of the profits and gains of the Company in next ensuing financial years until it has been paid in full;
- (g) the Manager's Preference Shares shall, apart from the right to the cumulative annual preference dividend, have no economic rights or entitlements save for the right on a winding up to the repayment of the capital paid thereon on a *pari passu* basis with the capital paid on the Ordinary Shares;
- (h) the holder(s) of the Manager's Preference Shares shall have the right to receive notices of, attend, vote at and demand a poll at general meetings of the Company;
- (i) with the intent that on all resolutions and decisions in general meeting (other than those referred to in paragraph (j) of sub-clause 7(2)) the Manager's Preference Shares shall as a class be entitled to not less than the number of votes to which the Ordinary Shares as a class are entitled, each one of the Manager's Preference Share shall be entitled to the number of votes which results when – (i) the total number of votes comprised by all the Ordinary Shares then in issue, *is divided by* (ii) the total number of Manager's Preference Shares then in issue, and any fraction of a vote that would otherwise be applicable to each Manager's Preference Share shall be rounded up to one additional vote (so that, by way of an hypothetical example only, if there are 30,000,000 Ordinary Shares and 10,000 Manager's Preference Shares in issue, each one of the Manager's Preference Shares shall be entitled to 3,000 votes);
- (j) on any resolution which, if passed, will result in any variation of either or both of paragraphs (b) and (c) of sub-clause 7(2), each Manager's Preference Share shall be entitled to one vote;
- (k) in the event that an entity which is (or becomes) the Investment Manager subsequently ceases to be the Investment Manager in accordance with the relevant provisions of the Company's Articles of Association, each one of the Manager's Preference Shares held by that entity (or by a direct or indirect subsidiary of that entity, or by a corporation having the same direct or indirect shareholders as that entity) shall thereupon automatically convert into a fully paid Ordinary Share in the Company (so that, by way of an hypothetical example, if such entity holds 10,000 Manager's Preference Shares, those Manager's Preference Shares will automatically convert into 10,000 fully paid Ordinary Shares upon the entity ceasing to be the Investment Manager as aforesaid); and
- (l) in sub-clause 7(2), the "12-month LIBOR rate" means the rate for 12-month US Dollar inter-bank deposits published by the British Bankers' Association (as to which the Investment Manager's determination thereof shall, in the absence of manifest error, be final and binding on the Company).

FOR USE BY LEAD BROKERS ONLY

Processing Date _____ Time Received _____ Payment Method _____

Cheque Number _____ Cheque Value US\$/J\$ _____

Proof of RTGS transfer provided (if applicable): [] Instruction letter for transfer of funds provided (if applicable): []

Lead Broker Stamp and Signature _____

**30. APPENDIX 5: CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF PIL AND ITS
SUBSIDIARIES AS AT AND FOR THE YEAR ENDED MARCH 31, 2014**



KPMG Eastern Caribbean

Morgan Building
L'Anse Road
P.O. Box 1101
Castries, St. Lucia

Telephone (758) 453-1471
(758) 453-0625
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INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN INVESTMENTS LIMITED

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



To the Members of
PROVEN INVESTMENTS LIMITED

Opinion

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

KPMG

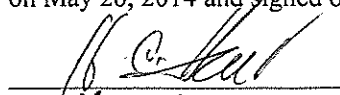
KPMG Eastern Caribbean
May 26, 2014


Castries, St. Lucia

PROVEN INVESTMENTS LIMITEDStatement of Financial Position
March 31, 2014

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

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


 Hugh Hart Chairman


 Garfield Sinclair Director

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

PROVEN INVESTMENTS LIMITEDStatement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2014

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

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

PROVEN INVESTMENTS LIMITED

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

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

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

PROVEN INVESTMENTS LIMITEDStatement of Company Changes in Equity
Year ended March 31, 2014

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

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

PROVEN INVESTMENTS LIMITEDStatement of Cash Flows
Year ended March 31, 2014

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

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

PROVEN INVESTMENTS LIMITED

Statement of Cash Flows
Year ended March 31, 2014

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements
March 31, 2014

1. Identification

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

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

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

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

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

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

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

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

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

PROVEN INVESTMENTS LIMITED

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

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

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

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

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

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

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

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

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

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

PROVEN INVESTMENTS LIMITED

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

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

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

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

- Amendments to IAS 32, *Financial Instruments: Presentation*, which is effective for annual reporting periods beginning on or after January 1, 2014, clarifies those conditions needed to meet the criteria specified for offsetting financial assets and liabilities. It requires the entity to prove that there is a legally enforceable right to set off the recognised amounts. Conditions such as whether the set off is contingent on a future event and the nature and right of set-off and laws applicable to the relationships between the parties involved should be examined. Additionally, to meet the criteria, an entity should intend to either settle on a net basis or to realise the asset and settle the liability simultaneously.
- *Improvements to IFRS, 2010-2012 and 2011-2013* cycles, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments applicable to the company are as follows:
 - IFRS 13, *Fair Value Measurement*, has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.
 - IAS 24, *Related Party Disclosures*, has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

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

(b) Basis of measurement:

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 20142. Statement of compliance and basis of preparation (cont'd)

(c) Functional and presentation currency:

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

(d) Accounting estimates and judgements:

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

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

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

(i) Key sources of estimation uncertainty:

• Allowance for impairment losses:

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

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

PROVEN INVESTMENTS LIMITED

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

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

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

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

• Fair value of financial instruments:

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

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

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

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

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

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

3. Significant accounting policies

(a) Basis of consolidation:

(i) Business combinations

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

The Group measures goodwill at the acquisition date as:

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 20143. Significant accounting policies (cont'd)

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

(i) Business combinations (cont'd)

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

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

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

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

(ii) Subsidiaries

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

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 2014

3. Significant accounting policies (cont'd)

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

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

(i) Classification of financial instruments

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

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

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

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

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

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

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

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

(iii) Non-derivative financial assets – measurement

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

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

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

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

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

(c) Financial instruments - Other

(i) Non-trading derivatives:

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

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

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

(c) Financial instruments - Other

(ii) Cash and cash equivalents:

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

Cash and cash equivalents are carried at amortised cost.

(iii) Other assets:

Other assets are stated at amortised cost less impairment losses.

(iv) Other liabilities:

Other liabilities are stated at amortised cost.

(v) Resale and repurchase agreements:

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

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

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

(vi) Share capital:

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

- (1) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;
- (2) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividends thereon are recognised as interest in profit or loss.

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

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

(vii) Loans and notes receivable and other receivables:

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

(viii) Accounts payable:

Accounts payable are stated at their amortised cost.

(ix) Interest-bearing borrowings:

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

(x) Offsetting:

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

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

(xi) Amortised cost:

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

(d) Property development costs

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

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

(e) Property, plant and equipment:

(i) Cost:

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

(ii) Depreciation:

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

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

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 20143. Significant accounting policies (cont'd)

(f) Intangible assets:

(i) License

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

(ii) Computer software:

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

(iii) Goodwill:

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

(g) Foreign currency translation:

(i) Transactions and balances:

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

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

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

(ii) Foreign operations:

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

(h) Income tax:

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

(i) Current income tax:

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

(ii) Deferred income tax:

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

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

(i) Impairment:

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

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

(1) Calculation of recoverable amount:

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

(i) Impairment (cont'd):

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

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

(2) Reversals of impairment:

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

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

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

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

(j) Investment in subsidiaries

Investment in subsidiaries is carried at cost.

(k) Revenue recognition:

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

(i) Interest income:

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

PROVEN INVESTMENTS LIMITED

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

3. Significant accounting policies (cont'd)

(k) Revenue recognition (cont'd):

(ii) Fee and commission income:

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

(iii) Dividends

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

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

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

(l) Interest expense:

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

(m) Investment property:

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

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

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

PROVEN INVESTMENTS LIMITED

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

4. Resale agreements

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

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

5. Investment securities

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

PROVEN INVESTMENTS LIMITED

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

6. Loans receivable

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

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

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

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

	<u>Group</u>				<u>Total</u>
	<u>Within</u>	<u>3-12</u>	<u>1-5</u>	<u>Over</u>	
	<u>3 months</u>	<u>months</u>	<u>years</u>	<u>5 years</u>	
	<u>2014</u>				
Margin loans	1,323	6,557	-	-	7,880
Hire purchase loans	-	303	-	-	303
Corporate notes	-	2,371	7,446	-	9,817
Other loans	<u>2,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,312</u>
	<u>3,635</u>	<u>9,231</u>	<u>7,446</u>	<u>-</u>	<u>20,312</u>
	<u>Group</u>				
	<u>2013</u>				
Margin loans	1,144	722	-	5,865	7,731
Hire purchase loans	584	-	-	-	584
Corporate notes	930	2,477	3,334	-	6,741
Other loans	<u>-</u>	<u>1,022</u>	<u>-</u>	<u>-</u>	<u>1,022</u>
	<u>2,658</u>	<u>4,221</u>	<u>3,334</u>	<u>5,865</u>	<u>16,078</u>
	<u>Company</u>				
	<u>2014</u>				
Corporate notes	<u>-</u>	<u>2,371</u>	<u>7,446</u>	<u>-</u>	<u>9,817</u>

PROVEN INVESTMENTS LIMITED

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

6. Loans receivable (cont'd)

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

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

(c) Impairment losses:

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

	<u>Group</u>		<u>Group</u>	
	<u>2014</u>		<u>2013</u>	
	Gross	Allowance for impairment	Gross	Allowance for impairment
Not past due and not impaired	906	-	607	-
Past due and not impaired	1,310	-	981	-
More than 90 days past and impaired	80	80	52	49
Interest receivable	<u>45</u>	<u>-</u>	<u>15</u>	<u>-</u>
	<u>2,341</u>	<u>80</u>	<u>1,655</u>	<u>49</u>

(d) Impairment losses:

	<u>Group</u>	
	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Balance at the beginning of the year	49	34
Impairment losses recognized	31	41
Provision no longer required	<u>-</u>	<u>(26)</u>
Balance at the end of the year	<u>80</u>	<u>49</u>

7. Other assets

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

PROVEN INVESTMENTS LIMITED

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

7. Other receivables (cont'd)

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

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

	<u>Group</u>		<u>Company</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Due from clients	107	112	-	-
Other	<u>-</u>	<u>639</u>	<u>4</u>	<u>637</u>
	<u>107</u>	<u>751</u>	<u>4</u>	<u>637</u>

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

Balance at beginning of year	751	129	637	-
Impairment losses recognized	(644)	637	(633)	637
Foreign exchange gain	<u>-</u>	<u>(15)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>107</u>	<u>751</u>	<u>4</u>	<u>637</u>

8. Property development in progress

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

9. Investment in subsidiaries

	<u>Company</u>	
	2014 \$'000	2013 \$'000
Ordinary shares	<u>17,470</u>	<u>17,470</u>

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

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

PROVEN INVESTMENTS LIMITED

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

10. Investment property

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

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

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

PROVEN INVESTMENTS LIMITED

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

11. Intangible assets

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

PROVEN INVESTMENTS LIMITED

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

12. Property, plant and equipment

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

13. Repurchase agreements

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201414. Credit linked notes

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

15. Owed to related parties

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

16. Notes payable

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

- (i) Structured notes represent short to medium-term debt obligations issued by the Group. The notes are secured by a basket of securities and typically have fixed quarterly coupon payments, with a bullet payment of principal due at maturity.
- (ii) Equity-linked notes are medium-term debt instruments issued by the Group, which pay a return that is linked to the Group’s financial performance. These instruments pay a fixed quarterly coupon, with an annual bonus interest payment that is linked to the return on equity of the Group.
- (iii) Margin loans payable represent short-term debt facilities provided by brokerage firms to the Group and used by the Group to:
- acquire securities on its own account. The facilities are collateralised by the securities held with the brokerage firms, with the proceeds being used by the Group to purchase additional securities;
 - fund facilities offered to its clients. The clients have agreed with the Group that the securities purchased may be re-pledged or otherwise offered by the Group as collateral for the margin facility extended to the Group by the brokerage firm.

PROVEN INVESTMENTS LIMITED

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

17. Preference shares

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

- (a) The terms and conditions of the manager's preference shares include the following:
- (i) the manager's preference shares shall rank *pari passu* as between and among themselves;
 - (ii) each manager's preference share is entitled to a cumulative annual preference dividend in the sum which is equal to:
 - (1) 25% of the profits and gains of the Company in each financial year in excess of the Annual Earnings Hurdle (computed in accordance with the formula set out in the terms and conditions of issue) for such financial year, divided by
 - (2) the number of manager's preference shares in issue when the said cumulative annual preference dividend is paid; and for this purpose the Annual Earnings Hurdle shall be the amount which results when the hurdle rate is applied to the average equity of the Company during such financial year.
 - (iii) Apart from the right to the cumulative annual preference dividend, the manager's preference shares have no economic rights or entitlements save for the right on a winding up to the repayment of the capital paid thereon on a *pari passu* basis with the capital paid on the ordinary shares.
 - (iv) Each manager's preference share has votes attaching to it that are a multiple of the votes attaching to each ordinary share on all resolutions and decisions at a general meeting, such that the preference share votes will be at least equal to the votes of the ordinary shares, except on any resolution intended to vary the formula for computing the dividend payable to the preference shareholders, in which case each manager's preference share is entitled to one vote

PROVEN INVESTMENTS LIMITED

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

17. Preference shares (cont'd)

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

- (i) The right to a preferential dividend at the agreed annual rate, payable out of the profits of the Company, calculated on the capital paid up on the preference stock units, and any dividend not paid shall accumulate until paid;
- (ii) The right to preferential repayment of paid-up preference capital, and any arrears of preference dividend upon the winding up or the Company or other return of capital;
- (iii) No right to vote at any general meeting of the Company except where the dividend on the preference stock units are past due more than twelve months, and/or the notice for the redemption of preference stock units is past due and/or a resolution to wind up the company has been passed;
- (iv) The Company may redeem all or any of the preference stock units on or before December 23, 2016 at J\$5.00 each.

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

18. Deferred tax assets/(liabilities)

		Group					
		Asset		Liabilities		Net	
		2014	2013	2014	2013	2014	2013
		\$000	\$000	\$000	\$000	\$000	\$000

Deferred tax liability is attributable to the following:

Property, plant and equipment	(4)	-	(27)	(31)	(31)	(31)
Other receivables	(16)	-	(101)	(107)	(117)	(107)
Unrealised foreign exchange gains	-		(336)	(230)	(336)	(230)
Available-for-sale investment securities	-	25	224	-	224	25
Other liabilities	24	(33)	51	152	75	119
Other	-	16	(3)	-	(3)	16
	<u>4</u>	<u>8</u>	<u>(192)</u>	<u>(216)</u>	<u>(188)</u>	<u>(208)</u>

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201418. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year:

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

19. Share capital

	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Authorised:		
2,999,990,000 Ordinary shares, par value US\$0.01 each	29,999,900	29,999,900
10,000 Manager's Preference Shares, par value US\$0.01 each	100	100
300,000,000 8% Cumulative Redeemable Preference Shares, par value US\$0.01 each	<u>3,000,000</u>	<u>3,000,000</u>
	<u>33,000,000</u>	<u>33,000,000</u>
	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Issued and fully paid:		
294,951,884 Ordinary shares	29,657	29,657
10,000 Manager's Preference Shares	1	1
200,000,000 8% Cumulative Redeemable Preference Shares	<u>8,910</u>	<u>9,921</u>
	38,568	39,579
Less: Preference shares reclassified to liability (see note 17)	<u>(8,911)</u>	<u>(9,922)</u>
	<u>29,657</u>	<u>29,657</u>

PROVEN INVESTMENTS LIMITED

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

19. Share capital (cont'd)

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

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

20. Fair value reserve

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

21. Foreign exchange translation reserve

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

22. Net interest income

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201423. Net fair value adjustments and realised gains

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

24. Staff costs

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

Included in staff costs are the following directors' emoluments:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Fees	77	69	52	51
Management remuneration	<u>127</u>	<u>128</u>	<u>-</u>	<u>-</u>

25. Other operating expenses

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201426. Taxation

- (a) The tax charge for income tax is computed at 1%, 25% and 33½% of profit for the year as adjusted for tax purposes, and is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(i) Current tax charge:				
Charge/(credit) on current period's profits:				
Income tax at 1%	10	46	10	46
Income tax at 33½%	16	303	-	-
Income tax at 25%	-	(2)	-	-
	<u>26</u>	<u>347</u>	<u>10</u>	<u>46</u>
(ii) Deferred tax credit:				
Origination and reversal of temporary differences	209	24	-	-
(iii) Prior year under provision	-	<u>19</u>	-	-
Total income tax charge	<u>235</u>	<u>390</u>	<u>10</u>	<u>46</u>

- (b) Reconciliation of effective tax rate:

The tax rate for two of the subsidiaries is 25% and 33½% of profit before income tax adjusted for tax purposes, while the tax rate for the Company is 1% of profits. The actual charge for the period is as follows:

	<u>Group</u>		<u>Company</u>	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Surplus before taxation	<u>4,015</u>	<u>4,545</u>	<u>4,150</u>	<u>3,144</u>
Computed "expected" tax expense at 1%	40	45	42	31
Computed "expected" tax expense at 25%	10	(2)	-	-
Computed "expected" tax expense at 33½%	<u>294</u>	<u>454</u>	-	-
Difference between profits for financial statements and tax reporting purposes on -	344	497	42	31
Depreciation charge and capital allowances	4	(1)	-	-
Unrealised foreign exchange loss	-	54	-	13
Interest receivable	-	(1)	-	-
Income exempt from income tax	(77)	(144)	-	-
Disallowed expenses	48	(21)	9	12
Other	(84)	<u>6</u>	(41)	(10)
Actual tax expense	<u>235</u>	<u>390</u>	<u>10</u>	<u>46</u>

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201427. Related party transactions

(a) Definition of related party

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

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

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled, or jointly controlled by a person identified in (1).
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

PROVEN INVESTMENTS LIMITED

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

27. Related party transactions (cont'd)

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

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

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

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Staff costs	<u>196</u>	<u>198</u>	<u>52</u>	<u>25</u>

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

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

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201427. Related party transactions (cont'd)

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

28. Financial risk management

- (a) Introduction and overview:

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

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

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

- (i) Investment Management Committee
- (ii) Audit Committee

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

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

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

- (b) Credit risk:

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

(i) Maximum exposure to credit risk:

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

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

- Cash and cash equivalents

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

- Resale agreements

Collateral is held for all resale agreements.

- Investment securities

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

- Accounts receivable

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

- Loans receivable

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

(ii) Concentration of credit risk:

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(b) Credit risk (cont'd):

(iii) Impairment:

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

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

(c) Liquidity risk:

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

(i) Liquidity risk management:

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

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flows;
- (iii) Optimising cash returns on investment;
- (iv) Monitoring liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and
- (v) Managing the concentration and profile of debt maturities. Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

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

Group

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

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

Company

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

March 31, 201428. Financial risk management (cont'd)

(d) Market risk:

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

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

(i) Foreign currency risk:

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

Group

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Group

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

Company

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Sensitivity to exchange rate movements:

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

	% change in currency rate <u>2014</u>	<u>Group</u>		<u>Company</u>	
		Effect on profit <u>2014</u> \$'000	Effect on comprehensive income <u>2014</u> \$'000	Effect on profit <u>2014</u> \$'000	Effect on comprehensive income <u>2014</u> \$'000
Currency:					
JMD	1% Revaluation	(106)	-	(74)	-
GBP	1% Revaluation	-	-	-	-
Other	1% Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>Group</u>		<u>Company</u>	
	% change in currency rate <u>2014</u>	Effect on profit <u>2014</u> \$'000	Effect on comprehensive income <u>2014</u> \$'000	Effect on profit <u>2014</u> \$'000	Effect on comprehensive income <u>2014</u> \$'000
Currency:					
JMD	15% Devaluation	1,593	6	1,115	3
GBP	15% Devaluation	-	-	-	-
Other	15% Devaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>Group</u>		<u>Company</u>	
	% change in currency rate <u>2013</u>	Effect on profit <u>2013</u> \$'000	Effect on comprehensive income <u>2013</u> \$'000	Effect on profit <u>2013</u> \$'000	Effect on comprehensive income <u>2013</u> \$'000
Currency:					
JMD	1% Revaluation	(118)	-	(88)	-
GBP	1% Revaluation	44	-	-	-
Other	1% Revaluation	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>Group</u>		<u>Company</u>	
	% change in currency rate <u>2013</u>	Effect on profit <u>2013</u> \$'000	Effect on comprehensive income <u>2013</u> \$'000	Effect on profit <u>2013</u> \$'000	Effect on comprehensive income <u>2013</u> \$'000
Currency:					
JMD	10% Devaluation	(1,179)	-	(992)	-
GBP	10% Devaluation	(435)	-	-	-
Other	10% Devaluation	<u>(2,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

(ii) Interest rate risk:

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

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

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

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

Group

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)(d) Market risk (cont'd):(ii) Interest rate risk (cont'd):

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Company

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

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

	<u>Group</u>				<u>Company</u>			
	2014				2014			
	J\$	US\$	GBP	Euro	J\$	US\$	GBP	Euro
	%	%	%	%	%	%	%	%
Assets								
Resale agreements	4.84	4.62	1.80	-	-	-	-	-
Investment securities	7.12	5.34	-	6.83	7.01	6.44	-	-
Loans receivable	6.31	2.92	1.45	-	10.05	6.38	-	-
Liabilities								
Repurchase agreements	6.82	3.70	1.95	-	10.93	2.00	2.25	-
Notes payable	5.38	3.43	-	-	5.38	3.43	-	-
Preference shares	<u>8.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>Group</u>				<u>Company</u>			
	2013				2013			
	J\$	US\$	GBP	Euro	J\$	US\$	GBP	Euro
	%	%	%	%	%	%	%	%
Assets								
Resale agreements	5.89	4.99	2.90	-	5.38	1.00	-	-
Investment securities	7.55	6.96	-	6.83	-	6.90	-	-
Loans receivable	-	4.73	-	-	10.39	-	-	-
Liabilities								
Repurchase agreements	4.99	2.36	-	-	-	2.25	-	-
Notes payable	6.11	4.04	-	-	6.11	4.04	-	-
Credit-linked notes	6.00	5.50	-	-	-	-	-	-
Preference shares	<u>14.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14.50</u>	<u>-</u>	<u>-</u>	<u>-</u>

Sensitivity to interest rate movements

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

Group

	<u>2014</u>		<u>2013</u>	
	Effect on profit 2014 \$'000	Effect on equity 2014 \$'000	Effect on profit 2013 \$'000	Effect on equity 2013 \$'000
J\$ interest rates	Increase by 250 bps Decrease by 100 bps		Increase by 250 bps Decrease by 100 bps	
US\$ interest rates	Increase by 200 bps Decrease by 50 bps		Increase by 200 bps Decrease by 50 bps	
Change in basis points:				
Increase in interest rates	(753)	(16,805)	(649)	(17,200)
Decrease in interest rates	<u>178</u>	<u>1,175</u>	<u>162</u>	<u>1,091</u>

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(d) Market risk (cont'd):

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

Company

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

(iii) Price risk:

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

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

Sensitivity to equity price movements

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

PROVEN INVESTMENTS LIMITED

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

28. Financial risk management (cont'd)

(e) Capital management:

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

- (i) To comply with the capital requirements set by the Financial Services Commission ("the Commission");
- (ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (iii) To maintain a strong capital base to support the development of its business.

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

The Commission requires each securities dealer to:

- (i) Hold the level of the regulatory capital at no less than 50% of Tier 1 Capital; and
- (ii) Maintain a ratio of total regulatory capital to the risk-weighted assets at or above 10%.

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

- (i) Tier 1 capital: issued and fully paid-up capital in the form of ordinary shares, retained earnings and reserves; and
- (ii) Tier 2 capital: redeemable cumulative preference shares.

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

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

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

PROVEN INVESTMENTS LIMITED

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

29. Fair value

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

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

Level 1

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

Level 2

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

Level 3

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

PROVEN INVESTMENTS LIMITED

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

29. Fair values (conf'd)

(a) Accounting classifications and fair values:

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

Group

	Notes	2014					
		Carrying amount			Fair value*		
		Loan and receivables \$'000	Available for sale \$'000	Fair value through profit or loss \$'000	Other financial liabilities \$'000	Total \$'000	Total \$'000
Financial assets measured at fair value:							
Quoted equities	5	-	1,422	12	-	1,434	1,434
Foreign currency forward	5	-	-	(9)	-	(9)	(9)
Government of Jamaica securities	5	-	14,372	-	-	14,372	14,372
Global bonds	5	-	34,392	-	-	34,392	34,392
Mutual funds	5	-	16,843	-	-	16,843	16,843
Corporate bonds	5	-	27,851	-	-	27,851	27,851
Credit link notes	5	-	-	18,782	-	18,782	18,782
			<u>94,880</u>	<u>18,785</u>		<u>113,665</u>	<u>113,665</u>
Financial assets not measured at fair value:							
Corporate bonds	9	9	-	-	-	-	9
Government of Jamaica securities	5	1,244	-	-	-	1,244	1,244
Resale agreements	4	2,298	-	-	-	2,298	2,298
Loans receivable	6	20,312	-	-	-	20,312	20,312
Cash and cash equivalents		4,480	-	-	-	4,480	4,480
Owed by related party		36	-	-	-	36	36
Other assets	7	100	-	-	-	100	100
		<u>28,479</u>				<u>28,479</u>	<u>28,479</u>
Financial liabilities not measured at fair value:							
Other liabilities		-	-	-	5,826	-	5,826
Notes payable		-	-	-	56,298	-	56,298
Owed to related party		-	-	-	353	-	353
Repurchase agreements		-	-	-	44,075	-	44,075
					<u>106,552</u>		<u>106,552</u>

PROVEN INVESTMENTS LIMITEDNotes to the Financial Statements (continued)
March 31, 2014

29. Fair values (cont'd)

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

Company

Company	Notes	Loan and receivables \$'000	Available for sale \$'000	Carrying amount		Fair value*				
				Fair value through profit or loss \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets measured at fair value:										
Quoted equities	5	-	1,422	-	-	1,422	-	-	-	1,422
Government of Jamaica securities	5	-	1,556	-	-	1,556	-	-	-	1,556
Global bonds	5	-	25,721	-	-	25,721	-	-	-	25,721
Mutual funds	5	-	16,843	-	-	16,843	-	-	-	16,843
Corporate bonds	5	-	28,993	-	-	28,993	-	-	-	28,993
Credit link notes	5	-	-	18,782	-	18,782	-	-	-	18,782
	5	-	74,535	18,782	-	93,317	1,422	91,895	-	93,317
Financial assets not measured at fair value:										
Corporate bonds	5	-	-	-	-	-	-	-	-	-
Government of Jamaica securities	5	-	-	-	-	-	-	-	-	-
Resale agreements	4	-	-	-	-	-	-	-	-	-
Loans receivable	6	9,817	-	-	-	9,817	-	-	-	9,817
Cash and cash equivalents	7	255	-	-	-	255	-	-	-	255
Other assets	7	100	-	-	-	100	-	-	-	100
Owed by related party		175	-	-	-	175	-	-	-	175
		10,347	-	-	-	10,347	-	-	-	10,347
Financial liabilities not measured at fair value:										
Other liabilities		-	-	-	330	-	-	-	-	330
Note payable		-	-	-	48,754	-	-	-	-	48,754
Owed to related party		-	-	-	2,075	-	-	-	-	2,075
Repurchase agreements		-	-	-	20,482	-	-	-	-	20,482
		-	-	-	71,641	-	-	-	-	71,641

PROVEN INVESTMENTS LIMITED

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

29. Fair values (cont'd)

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

	2013										
	Notes	Loan and receivables \$'000	Available for sale \$'000	Carrying amount		Fair value*				Total \$'000	
				Fair value	through profit or loss \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		Total \$'000
Financial assets measured at fair value:											
Quoted equities	-	-	943	-	-	-	-	943	-	-	943
Foreign currency forward	-	-	-	-	-	-	-	-	-	-	-
PNN warrant asset	-	-	-	-	-	-	-	-	-	-	-
Government of Jamaica securities	-	-	-	-	-	-	-	-	-	-	-
Global bonds	-	-	12,928	-	-	-	-	12,928	-	-	12,928
Mutual funds	-	-	28,208	-	-	-	-	28,208	-	-	28,208
Corporate bonds	-	-	43,503	-	-	-	-	43,503	-	-	43,503
Credit linked notes	-	-	807	-	-	-	-	807	-	-	807
			<u>86,389</u>					<u>86,389</u>			<u>86,389</u>
Financial assets not measured at fair value:											
Corporate bonds	-	-	-	-	-	-	-	-	-	-	-
Government of Jamaica securities	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits	-	-	-	-	-	-	-	-	-	-	-
Resale agreements	1,311	-	-	-	-	-	-	1,311	-	-	1,311
Loans receivable	5,228	-	-	-	-	-	-	5,228	-	-	5,228
Cash and cash equivalents	2,021	-	-	-	-	-	-	2,021	-	-	2,021
Owed by related party	155	-	-	-	-	-	-	155	-	-	155
Other assets	922	-	-	-	-	-	-	922	-	-	922
			<u>9,637</u>					<u>9,637</u>			<u>9,637</u>
Financial liabilities not measured at fair value:											
Other liabilities	-	-	-	-	-	498	-	498	-	-	498
Note payable	-	-	-	-	-	55,298	-	55,298	-	-	55,298
Principal protected notes	-	-	-	-	-	557	-	557	-	-	557
Credit linked notes	-	-	-	-	-	2,380	-	2,380	-	-	2,380
Owed to related party	-	-	-	-	-	402	-	402	-	-	402
Repurchase agreements	-	-	-	-	-	4,955	-	4,955	-	-	4,955
						<u>64,090</u>		<u>64,090</u>			<u>64,090</u>

PROVEN INVESTMENTS LIMITED

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

30. Earnings per stock unit

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

31. Distribution to equity holders

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

32. Lease commitments

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

	<u>Group and Company</u>	
	<u>2014</u>	<u>2013</u>
	\$'000	\$'000
Within one year	62	36
Subsequent years	<u>32</u>	<u>42</u>
	<u>94</u>	<u>78</u>

33. Subsequent events

- (a) Under the terms of a sale and purchase agreement dated April 24, 2014, the Group agreed to acquire 100% of the equity of First Global Financial Services Limited, subject to regulatory approval, for a consideration of J\$2,050,000,000 (equivalent to US\$18,672,027, at the exchange rate prevailing at US\$1:JA\$109.7899)
- (b) Under an agreement dated May 7, 2014, the group agreed to acquire residential property in Jamaica for a consideration of J\$25,000,000 (equivalent to US\$227,157, at the exchange rate prevailing at US\$1:JA\$110.0561)
- (c) The company made available 73,937,971 ordinary shares with a price of US\$0.14 per share for subscription in a renounceable rights issue of one share for every four shares held by shareholders of the company as at April 30, 2014.