Jamaica Producers Group Limited

Annual Report 2014

TABLE OF CONTENTS

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-eighth ANNUAL GENERAL MEETING of JAMAICA PRODUCERS GROUP LIMITED (the "Company") will be held at **Terra Nova Hotel, 17 Waterloo Road, Kingston 10**, at 10:00 o'clock in the forenoon of Friday June 26, 2015 to transact the business more particularly set out below, and to consider, and if thought fit, to pass the resolutions as set out below:

1. To receive and consider the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2014:

   RESOLUTION:

   "THAT the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2014 be and are hereby adopted."

2. To fix the remuneration of the Auditors for 2014 or to determine the manner in which such remuneration is to be fixed:

   RESOLUTION:

   "THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2014, be and is hereby approved."

3. To ratify interim dividends and declare them final:

   RESOLUTION:

   "THAT the interim dividend of 20¢ per stock unit of record date December 31, 2014 be and is hereby ratified and declared final for 2014."

4. To re-appoint the Auditors:

   RESOLUTION:

   "THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2016."

5. To elect Directors:

   RESOLUTIONS:

   a) "THAT Mr. Donovan Perkins who retires by rotation, be and is hereby re-elected a Director of the Company."

   b) "THAT Prof. Alvin Wint who retires by rotation, be and is hereby re-elected a Director of the Company."

6. To fix the remuneration of Directors:

   RESOLUTION:

   "THAT the amount of $10,460,000 shown in the Accounts for the year ended December 31, 2014 for Non-Executive Directors' fees be and is hereby approved."

7. To transact any other competent business.

BY ORDER OF THE BOARD

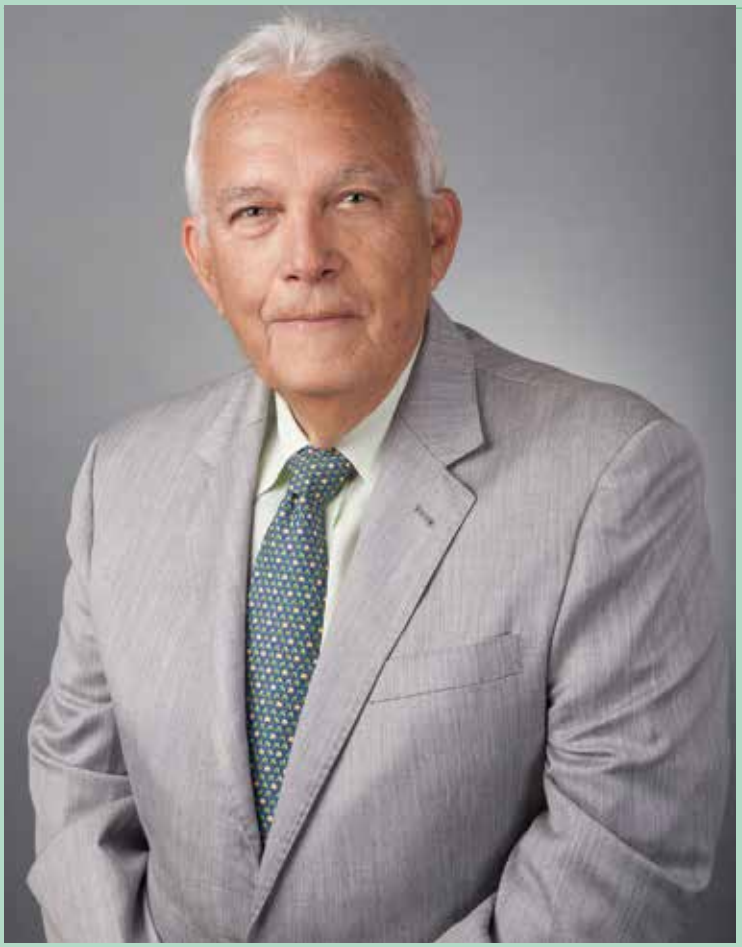
Paul St. E. Samuels
Company Secretary

A member of the Company who is entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead. A proxy need not be a member of the Company. Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting. An appropriate Form of Proxy is attached, to which should be affixed adhesive stamps to the value of $100.00.

Kingston, Jamaica
April 15, 2015

GROUP FINANCIAL HIGHLIGHTS

	2014	2013	2012	2011	2010
Balance Sheet	$'000	$'000	$'000	$'000	$'000
Total Assets	9,943,446	8,553,150	7,505,392	6,069,862	5,867,771
Net Current Assets (Working Capital)	196,763	498,850	592,705	2,150,479	1,340,393
Cash and Cash Equivalents	322,281	398,920	323,929	160,339	229,232
Total Borrowings	(2,150,083)	(1,243,761)	(1,196,263)	(210,195)	(152,603)
Stockholders' Equity	5,863,693	5,697,807	5,016,175	4,790,296	4,873,385
Stockholders' funds per stock unit:					
Based on stock units in issue	$31.35	$30.47	$26.82	$25.61	$26.06
After exclusion of stock held by ESOP	$34.34	$33.46	$29.51	$28.28	$28.84
Profit and Loss	$'000	$'000	$'000	$'000	$'000
Gross revenues	8,817,029	7,753,863	6,790,257	6,180,569	5,906,243
Profit attributable to parent company stockholders	358,220	252,273	189,406	962,907	312,208
Dividends Paid	37,405	37,405	37,405	93,512	46,756
Earnings per ordinary stock unit					
Based on stock units in issue	191.54¢	134.89¢	101.27¢	514.86¢	166.93¢
After exclusion of stock held by ESOP	210.04¢	148.24¢	111.59¢	569.05¢	184.83¢
Financial Ratios					
Return on Sales	4.1%	3.3%	2.8%	15.6%	5.3%
Return on Equity	6.1%	4.4%	3.8%	20.1%	6.4%
Return on Total Assets	3.6%	2.9%	2.5%	15.9%	5.3%
Debt:Equity Ratio	36.7%	21.8%	23.8%	4.4%	3.1%
Current Ratio	1.11:1	1.36:1	1.55:1	3.00:1	2.49:1
Dividend Cover	9.58	6.74	5.06	10.30	6.68
Market Statistics					
Closing Stock Price	$17.50	$19.00	$17.80	$24.03	$20.00
Market Capitalisation ($'000)	3,272,920	3,553,456	3,329,027	4,494,187	3,740,480
Price Earnings Ratio	9.14	14.09	17.58	4.67	11.98
Other Data					
Buying exchange rates at December 31:					
US$1 to J$	114.12	105.72	92.15	86.14	85.34
UK£1 to J$	175.97	173.56	148.29	133.26	130.81
EUR€1 to J$	138.09	145.67	121.49	111.82	114.49



Jamaica Producers Group Limited ("JP") generated revenues of $8.82 billion in 2014 and earned profits attributable to JP shareholders of $358 million. Our revenues increased 14% over the prior year. Profits attributable to JP shareholders are up 42% relative to our 2013 result.

The JP Europe Division

JP Europe had 2014 pre-tax profits of $334 million up 82% from $184 million in 2013. Our revenues of $6.11 billion were up 12% from the prior year. In Europe, both our food-related business and our logistics business significantly improved their trading performance relative to the prior year.

The largest single business in our Group by revenues, A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger"), is based in the Netherlands and is the market-leading producer of freshly squeezed juice. During the year we grew sales volumes by expanding into new export markets within Northern Europe and by introducing new products to our existing customers.

As a result of our recent programme of investment, Hoogesteger now also has the capacity to apply state-of-the-art technology to extend the shelf-life of some of our fresh juices. This facilitates our expansion to markets other than our core Dutch market. We are now exporting to Belgium, Germany and Scandinavia.

During the year we launched a range of fruit and vegetable juices known as "super juices" because of their unique nutritional attributes. We also launched juice and herb infused waters that serve as a refined and flavourful low calorie refreshment as well as a range of oatmeal smoothies that allow our customers to integrate a healthy and convenient breakfast or snack into their busy lives.

Our effort to drive growth through continuous market-leading product innovation is also a part of our successful programme to strengthen our long-term relationships with key customers.

Our UK-based logistics and freight forwarding business – JP Shipping Services Limited – maintained its focus on cost control while strengthening the service levels in our depots, improving our freight transit times and ensuring the efficient clearance and delivery of cargo in the destinations (across the Caribbean and elsewhere) to which it is consigned. This attention to service was rewarded during the year with improved revenues and profits relative to 2013.

JP Tropical Division

In 2014, the JP Tropical Division generated revenues of $2.60 billion, an increase of 19% over the prior year. The division incurred a pre-tax loss of $108 million. Our fresh banana and pineapple businesses faced increased costs associated with imported agricultural inputs. Market conditons made it extremely difficult to offset the increased costs with increased selling prices during much of the year.

We also faced challenging conditions in Mavis Bank Coffee Factory, our joint venture company engaged in the processing of Jamaica Blue Mountain Coffee. The supply of coffee cherries for processing is at the lowest level in decades and, as a consequence, prices for the coffee cherries (our primary raw material) are exceptionally high. The supply conditions for coffee cherries were adversely affected by the leaf rust disease and unfavourable weather conditions.

Tortuga International Holdings Limited ("Tortuga") had a mixed year. This business continues to be a leader in the rum-based confectionery category and has a strong market presence across the Caribbean as a souvenir item. The benefits from our various sales initiatives – which were concentrated on the Caribbean winter tourist season – were offset by higher costs for marketing programmes and projects to improve the systems and controls in our bakeries. We believe that these costs were necessary as we continue to build out a platform for longer-term growth.

Notwithstanding the challenging conditions, all of the food businesses within the JP Tropical Division were able to use strong product innovation to improve their long-term profit potential. In the fourth quarter, JP Tropical Foods introduced a new range of tropical snacks including flavoured plantain and cassava chips. These products have gained excellent market acceptance among a wide range of consumers and are driving growth and improved performance of this business.

At Mavis Bank Coffee Factory, we introduced the True Brew line of agglomerated instant coffee that is steadily gaining market acceptance. Tortuga launched a coffee flavoured rum ball and this confectionery item is now listed in travel retail outlets across the Caribbean and on the major cruise lines.

Within the JP Tropical Division, our non-food activities are centred on the production of construction aggregates. We began the year with extraction and crushing plants in both St. Mary and Clarendon. The availability of aggregates from the Clarendon site was adversely affected by the drought which also impacted our ability to process it efficiently. As a consequence, during the year, we elected to concentrate our plant and equipment at the St. Mary site which has a stronger supply of high-quality construction material on land that is ultimately owned by JP. Moreover, we are generally optimistic about the prospects for North Coast infrastructure projects and believe that we have a competitive position in that market. Accordingly we exited our Clarendon facility during the year. We expect this decision to account for improved business performance in 2015.

Corporate

During 2014, the JP Corporate Division earned pre-tax profits of $178 million. The division's pre-tax profit is down from the prior year result of $265 million. The Corporate Division includes net interest and investment income as well as the cost of the corporate functions that are not charged directly to our other operating divisions. The divisional result includes our equity share of the earnings of Kingston Wharves Limited ("KW"), an associated company in which we hold a 42% interest. KW is engaged in logistics and marine terminal operations. In connection with its plans to develop a logistics facility which would be the largest of its kind in the Caribbean, KW was granted free-zone status which exempts some of its activities from taxation thereby resulting in a lower overall effective tax rate. This change in the tax treatment of Kingston Wharves contributed to an improved after-tax performance of the division and group.

Outlook

The JP board is generally satisfied with the current scope of our operations, both in terms of our geographic spread as well the diversity of our products and services. We will, however, continue to explore the full range of available opportunities to identify those that best support and enhance the profitability and resilience of our core business. That is:

1. We will continue to pursue investments in all aspects of specialty food, ranging from agricultural production, to food processing, marketing, distribution and retail. Our goal is to continue as the market leader in each specialty food segment in which we operate, while at the same time, seeking to benefit from synergies across our range of food businesses.
2. We will continue to find ways to participate in select opportunities to develop and provide world class logistics services for the Caribbean.

Our plan to build profitably upon our new platform of core activities also requires that we consistently maintain the loyalty of our customers. We will continue to do this by leveraging our reputation for quality and innovation, while maintaining a strong focus on efficiency and risk management.

Our strategies also require the support of the communities in which we do business, and we will continue, as we did in 2014, to pursue a programme of corporate social responsibility. Our background in Jamaica leads JP to place a particular emphasis on supporting children and education and this has led us to offer tuition support through scholarship funds as well as direct grants to worthy institutions. Throughout our group we will continue to contribute both our money and time to a range of charitable causes.

Our success in this and in all of our endeavours ultimately depends on the performance of our most important asset – our human resources. I am grateful for the dedication, diligence and good judgement of our board, management and staff throughout the year.

Charles H. Johnston
Chairman

The Group and Strategy

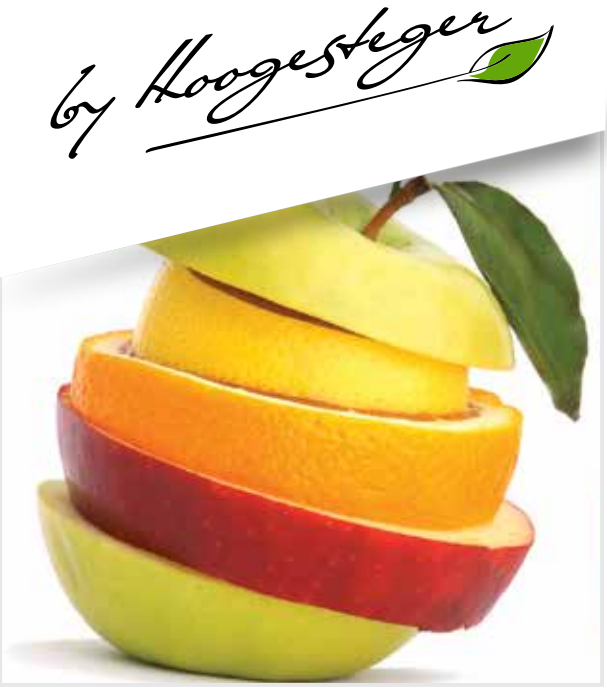
Our board and management have been consistent in the view that the best way for us to deliver increasing shareholder returns is to pursue a strategy with two components:

- We will continue to pursue business prospects in all aspects of specialty food, ranging from agricultural production to food processing, marketing, distribution and specialty retail.
- We will continue to participate in select opportunities to develop and provide world-class logistics services and infrastructure for the Caribbean.

This strategy has some specific requirements. We expect each of our businesses to establish and maintain a leading position within its particular market segment and we seek to maintain our exposure to earnings that are bolstered by regional and international consumer demand.

Throughout our history, Jamaica Producers Group Limited ("JP" or the "Group") has seen international trade and commerce as vital to a successful business. During 2014, this strategy was underpinned by our continued emphasis on geographic diversity and exposure to global trade in both our specialty food businesses as well as our logistics and infrastructure activities.

Each of our businesses is responsible for implementing our Group strategy under the guidance and direction of the JP Board and Executive Management. A summary of each business unit is below.



Specialty Foods

A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger") is the largest producer of fresh fruit juices in the Netherlands and Northern Europe. Traditionally over 95% of its sales arose from within the Netherlands, but Hoogesteger has been following a strategy of international expansion and in 2014 maintained our target of double digit revenue growth in our export markets.

The core of Hoogesteger is strong structured long-term relationships with our principal retail customers. During 2014 Hoogesteger enhanced these relationships by delivering exceptional products within exacting service standards. Product quality, food safety, price competitiveness and consistent service delivery are critical to this and are a hallmark of our operations. However, in 2014 we placed particular emphasis on new product development. During the year, the business deployed a series of product range extensions to capture opportunities in line with current mega-trends including our consumers' increasing focus on health (e.g. vegetable "superjuices"), reduced calorie intake (e.g. infused waters) and convenience (e.g. breakfast oatmeal smoothies). We are pleased to report that our major product innovations achieved strong consumer demand. This, together with our continuous improvement initiatives aimed at delivering lower unit costs, led to a 53% growth in Hoogesteger's after tax earnings.

Mavis Bank Coffee Factory Limited ("MBCF") continued to be the leading processor of Jamaica Blue Mountain Coffee ("JBM"), purchasing over one-third of all JBM beans in the 2013/2014 crop year. Since its acquisition as a joint venture company by JP and Pan-

Jamaican Investment Trust Limited in late 2011, MBCF has invested in developing the standards and operations of our processing facility to deliver the highest quality products for both our export and domestic customers. There was a significant reduction in the size of the 2013/14 coffee crop as a result of a range of pest management and agronomical challenges (including berry borer, drought and leaf rust) that affected the viability of the traditional JBM farmer and caused supply constrictions that have adversely affected the earnings of the business. The shortage of coffee has, in turn, pushed up our input costs and although we have been unable to fully pass these on to our end customers, we do note that it has improved the outlook for the traditional JBM farmer and may ultimately spur a return to volume growth for the sector.

MBCF is committed to securing the long-term success of its business by proactively addressing the supply constraints that have long affected the Jamaican Blue Mountain Coffee industry. This has led us to establish our own 150 - acre coffee farm in January 2014 and to expand our farmer support programmes in 2014. The new farm had expected start-up losses arising from the replanting and redevelopment required to bring the farm into full production. This will continue for the short term.

MBCF is treated as a joint venture company in JP's consolidated accounts and accounted for under the equity method.

Tortuga International Holdings Limited ("Tortuga") is the manufacturer, marketer and distributor of one of the Caribbean's leading tourist souvenir items, the Tortuga Rum Cake. 2014 marked the 30th anniversary of the founding of this iconic Caribbean product, which now reaches an international customer base that spans the

Caribbean and North America. The business operates manufacturing and distribution facilities in Miami, Barbados, Cayman and Jamaica as well as retail outlets in Barbados and Jamaica and a franchise operation in the Bahamas.

JP acquired its controlling interest in Tortuga, in part, by consolidating a fragmented set of formerly independent proprietor-managed legal entities in 2012. As such, much of our management team's effort has been focused on consolidating and developing the organisation into a cohesive unit with a solid organisational platform for growth. This included establishing new management structures, robust and contemporary back office control systems and consolidating and rationalising bakery operations, which included discontinuing the production of low-margin, non-core and non-Tortuga products.

In 2014 we continued development in all of these areas but also established a new commercial structure and team which is capable of delivering the revenue growth that we expect of the brand. The launch of the 'Tortuga Moments" campaign in mid-2014 led the move to more aggressive consumer marketing, new distribution partnerships and a more structured commercial function. Although this programme is progressing positively, the change in distributors and the move to exit marginal products has led to flat revenues relative to the prior year. However, we expect this to lead to a stronger foundation for growth and note that key customer channels were already showing sales growth during the second half of 2014 in line with the revised strategy.

JP Tropical Foods Limited ("JPTF") is a vertically integrated farmer, processor, marketer and distributor

of fresh produce and branded snack products. It is best known for its ripe and green banana supply to the Jamaican consumer and its St Mary's branded banana chips sold in the Caribbean and internationally. JPTF also packages tropical snacks under its own brands as well as third-party brands for Spanish language markets in the USA, Panama and the Dominican Republic.

2013 was a year in which the primary focus of JPTF was the redevelopment of our banana and plantain farms following the devastation of Hurricane Sandy in late 2012. 2014 had targeted a breakeven position for our fresh produce business, but due to a combination of factors fell short of this. Whilst we saw major gains in our revenues, in part from a return to full production of fruit from our farms, our input costs increased on the back of the depreciation of the Jamaican dollar hitting our major agricultural inputs. As bananas are a key input for both our fresh produce and snack lines this had a major effect on our unit costs for the business. Compounding this was the fact that our summer production, and that of banana farmers generally, was also very strong and this 'glut' of fruit – in the context of a relatively sluggish economy – meant that increased costs simply could not be realised in improved selling prices or sales volumes. Our expansion in pineapples and cassava continued and we expect this to be an increasingly important contributor to the long-term success of the business. In 2015, we will also launch a marketing campaign to build on efforts commenced at the end of 2014 to improve the local sales and marketing of green bananas as a nutritious and affordable carbohydrate for Jamaicans.

In our snack business, progress was made on a number of fronts. Export revenues of our chips grew by 64%, with St Mary's chips adding distributors in several new countries. Our export opportunities were increased by the launch of the JP Monte Cristi brand to serve the US and Caribbean regional Spanish-language diaspora. In Jamaica we introduced a range of product innovations, being first to market with seasoned tropical snacks including sour-cream and onion, jerk flavoured and chilli and lime cassava and plantain chips. These products have achieved excellent consumer acceptance that has significantly surpassed our initial forecasts. We intend to continue the programme of innovation with two new products slated for this year. At the end of 2014 we placed the order for additional manufacturing capability to grow our output by 25% to keep pace with growing demand in our international markets. We also finalised the purchase of the remaining third-party stake in our Dominican Republic joint venture which has allowed us to streamline our management and legal structures. The cumulative effect of these initiatives led to significantly improved results for the business in the fourth quarter of the year and we expect overall improved performance in 2015.

KINGSTON WHARVES LIMITED

Logistics and Infrastructure

Kingston Wharves Limited ("KW") is recognised as the leading private multi-purpose port terminal operator in the Caribbean. The company operates a comprehensive range of terminal equipment across its 1,655 metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerized cargo and bulk cargo vessels. KW is also listed on the Jamaica Stock Exchange.

For much of 2014 JP owned 30.19% of KW, following our initial investment in 2012. On 26 September, 2014 JP acquired an additional 11.59%. This, along with other purchases in Q4 2014 has taken the overall stake to

42.00%. JP's investment in KW now totals over $3.8 billion and our total comprehensive income from KW in 2014 was $324 million, up from $272 million in 2013.

KW's underlying revenues declined by 10% over the previous year on the back of reduced volumes of domestic trade as well as specific price based competition in the transhipment of containerised cargo. Despite the reduced revenues, after tax profits remained at a similar level to 2013. This was led internally by a major cost cutting and efficiency drive which saw significant reduction in fixed costs. Furthermore, the designation of the KW location as a free zone has led to material savings in customs duties, import taxes and income taxes such that the company now conducts business on terms that are somewhat more comparable to those applicable to competing ports. The free zone benefits are linked to KW's plans to develop a state of the art logistics facility that will position the business as a leader in the region and support the wider programme by the Government of Jamaica to establish Kingston as a logistics hub. 2014 saw the establishment of a fully re-developed cargo handling facility for less-than-container loads consigned to the general public, and ground was broken on the major commercial logistics facility site. It remains an industry view that Jamaica is ideally located for transhipment and logistics operations and is positioned to seize the opportunity presented by the expansion of the Panama Canal planned for completion in 2016.

With a large proportion of KW's revenues earned in US Dollars, this investment continues to balance our core strategies of expanding our hard currency earnings whilst investing in operations in which we have developed knowledge and experience.

JP SHIPPING SERVICES

JP Shipping Services Limited ("JPSS") is the leading full service Caribbean focused logistics supplier in the UK with management and staff having significant experience of the Europe to Caribbean logistics trade and an operations depot in the heart of London's Caribbean diaspora.

After 2013 saw a 17% growth in local currency (GBP) after-tax profits over 2012, the staff and management have continued their strategic objective of winning new business by delivering market-leading customer service whilst controlling costs in a highly competitive industry. This has continued to deliver in 2014 with a further 60% growth in after-tax profits.

Four Rivers MINING COMPANY

Four Rivers Mining Company Limited ("FRM") is a leading North Coast supplier of sand and aggregates to the Jamaican construction industry operating from JP's land holdings in Agualta Vale, St. Mary.

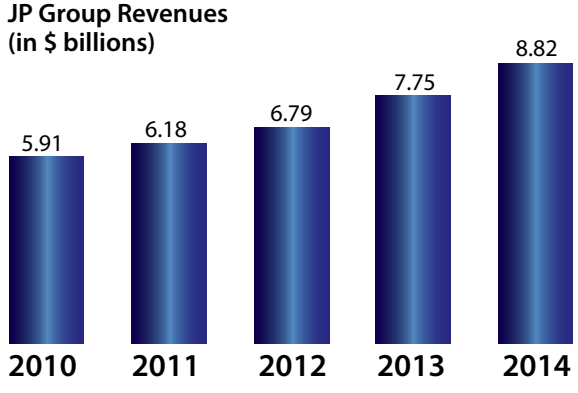
During 2014, FRM opted to position some of its plant and equipment in Clarendon, with a view to participating in the supply of construction aggregates to contractors engaged in major road construction projects and related infrastructure works in that part of Jamaica. Unfortunately, the summer drought caused major raw material shortages at the Clarendon location and as a consequence the plant faced escalating unit costs for the extraction and processing of aggregate, as well as a decision by the Government to limit mining operations in the area. The board of FRM took the decision in late Q3 2014 to close the facility and relocate the equipment to the Agualta Vale site in order to expand production there.

The Agualta Vale site operated with sufficient raw material and water supply throughout the drought and continued to generate positive returns. Moreover, we are satisfied

that it is competitively positioned to benefit from the development of infrastructure related to tourism and other export services on the North Coast and can further benefit from our concentrated focus on the opportunities in that market. The exit from May Pen will allow us to stem the operating losses that were associated with that site in 2014 and support the profitability of the overall business in 2015.

Financial Performance Review

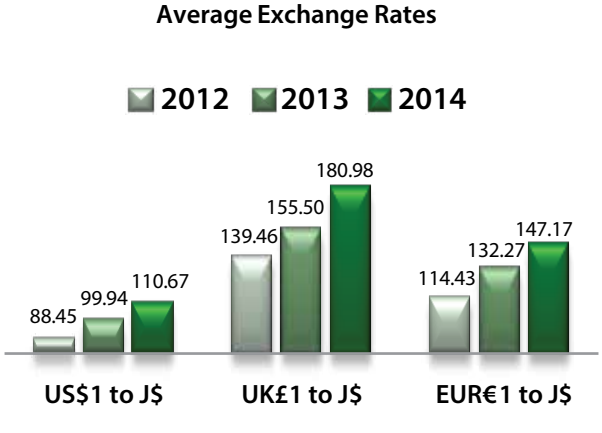
This financial performance review covers the Group's results and segmental analysis (see Note 31 to the consolidated financial statements).



For the year 2014, JP generated total revenues of $8.82 billion, an increase of 14% relative to 2013. Profits attributable to shareholders of $358 million were up 42% relative to profits of $252 million for 2013.

Following recent trends, there continued to be an across the board double digit percentage depreciation of the Jamaican Dollar relative to the foreign currencies which collectively make up 81% of our Group's revenue transactions. This trend has driven our strategy of ensuring that a core part of our earnings are generated in major reserve currencies and accordingly, our management reviews performance of each of our international businesses in the local currency of their operations.

The JP Europe Division, comprising Hoogesteger and JPSS, has its revenues entirely in Euros, British Pounds and US Dollars and saw divisional revenues increase by 12% to $6.11 billion.



The JP Tropical Division, comprising Tortuga, JPTF, Four Rivers and the associated company earnings from MBCF, saw divisional revenues increase by 19% to $2.60 billion. Revenues in this division are denominated predominantly in US and Jamaican Dollars. JPTF led the revenue growth partly on the back of a full year fruit supply, but also from growing domestic and international snack sales.

The Corporate Division's third party revenues were up by 15% from growth in its investment income in part from higher treasury holdings than in the prior year, along with growth in US denominated rental income.

Overall, when adjusted for Jamaican dollar depreciation, our underlying revenue growth in the various domestic currencies in which we do business was in excess of 4% and represents a productive return in what remains a challenging macro-economic environment, particularly in Jamaica.

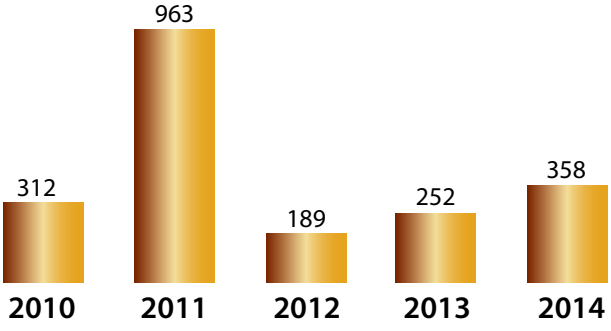
During the year, our gross margins declined slightly from 23% to 22% with improved gross margins in Europe being offset by lower gross margins arising from higher raw material costs in the Caribbean.

Marketing and distribution and administration costs grew by 12% and 14% respectively. As with revenue, most of our costs were incurred in countries that had double digit foreign exchange appreciation, and in general the group's local currency overhead base has grown in line with local inflation rates.

As with 2013, the composition of our Group balance sheet means that our performance must be assessed by combining both our operating profits (Hoogesteger, Tortuga, JPTF, Four Rivers, JPSS and our central Corporate operations) with our earnings from joint venture and associated companies (MBCF and KW) and net interest and investment income. At a divisional level JP Europe led the way with an 81% earnings growth and a contribution of $334 million to pre-tax profits. For JP Corporate, additional finance costs and compressed pre-tax earnings from KW contributed to reduced earnings which amounted to $178 million in the year. JP Tropical, however, recorded a loss before tax of $108 million as a result of losses at Four Rivers Clarendon site, the supply constraints at MBCF and the slower than anticipated recovery of JP Tropical Foods.

Earnings before finance costs and taxation ("EBIT") grew to $533 million on the back of strong one-off gains, in part as a result of opportunistic realisations of gains on our equity holdings. The increased KW earnings arising both from our expanded 42% stake and the changes in the KW tax structure were offset partly by increasing finance costs arising from the leverage used to secure this increased investment. After this increase in finance costs the Group's net after tax profits attributable to shareholders grew by 18% year on year. This represents earnings per share of 210.04 cents after excluding stock units held by our ESOP.

Profit attributable to the shareholders of JP Group (in $ millions)



Financial Position Review

In contrast to the appreciation of the average hard currency exchange rates against the Jamaican Dollar, the point to point exchange rate movements used for the translation of the Balance Sheet have balanced to near zero in 2014, with appreciation of USD and Pound Sterling offset by the significant depreciation of the Euro, which from 31 December 2013 to 31 December 2014 has depreciated against the Jamaican dollar by 5.2%. Notwithstanding this, the net worth of the Group grew year over year by 3% to $5.86 billion.

Stockholders' funds per stock unit (in $)

Total stockholders' equity per share increased to $31.35 per stock unit ($34.34 per stock unit after exclusion of stock held by the Group's Employee Share Ownership Plan). Led by a 20% growth in non-current assets to $7.98 billion, our total assets increased by 16% to $9.94 billion. The largest movement was the incremental $1.1 billion investment in Kingston Wharves in September 2014. The operational capital expenditure of our subsidiaries was $342 million. The major share of this was in investments in our food manufacturing sites to update plant and equipment for legal and regulatory requirements and to improve the efficiency of our operations.

In part mirroring the growth in non-current assets, non-current liabilities grew by $869 million to $1.99 billion, largely from the incremental $1.0 billion loan note issued to partly finance the acquisition of additional shares in Kingston Wharves. The overall gearing of the Group increased from 22% to 37%. We were pleased with the market reception to this loan note, which was favourable and allowed us to secure financing on competitive terms.

The Group is acutely aware of the current leverage and regularly monitors our liquidity and our loan covenants, which were all comfortably met in 2014. During Q4 2014, the Group successfully refinanced part of its long-term borrowing in order to stagger the maturity dates over a longer period of time. In 2015 short-term principal obligations on debt stand at $106 million and we are satisfied that this is entirely manageable. We remain satisfied with the returns from our investments that were facilitated by the leverage provided by our note issuances and believe this will continue to enhance shareholder returns in the short and long term.

Dividends

JP paid out dividends of 20 cents per share for 2014, representing a total dividend pay-out of $37 million or approximately 11% of earnings for shareholders. Our dividend is designed to balance the needs of the company for capital to finance its growth with the importance of providing annual distributions to shareholders.

The Outlook

We strongly believe that each of our business units has established a solid platform for growth allowing for greater focus on winning products and customer channels. As such, tactically 2015 will be heavily focused on leveraging our established base of fixed overheads to achieve robust revenue growth and improved efficiencies. Corrective measures in our underperforming JP Tropical divisions have been made and will begin to benefit our business in 2015. Within JP Europe, we will continue to drive our growth plans around exports and new product development to further support the profitability that we have experienced this year. Our Corporate Division will continue to develop best practices in the governance and oversight of our subsidiaries, joint venture and associated companies and other investments. We believe that these initiatives, coupled with opportunistic potential 'bolt-on' acquisition opportunities will lead to greater shareholder value.

RISKS

As with all business operations, JP is exposed to risks. Our internal risk management focuses our governance procedures on the identification, analysis, control, implementation and monitoring of performance. JP continues to invest to support our risk management processes.

The approach to managing risk is well established within JP and begins at the highest level of management in our organisation. The Board of Directors is ultimately responsible for our risk management processes. The Board of Directors is chaired by Charles Johnston and includes a majority of non-executive directors. The Board operates with three sub-committees: a six-member Audit Committee, a three-member Compensation and Human Resources Committee and a six-member Executive Committee. The Board of Directors and its committees meet regularly throughout the year and are continually apprised of the Group's performance, financial and non-financial issues, risks, prospective future developments and opportunities, and discuss any other matters as may be required.

JP has an experienced and structured internal audit function that reports to the Audit Committee and works with management through the businesses to identify, manage and eliminate or mitigate financial risks. JP's core risks can be categorised into two areas: operational and financial.

Operational Risks

These are risks inherent in our business operations:

1) Natural Disasters and Continuity of Supply. Our operations in the Caribbean and Europe are substantially centred on manufacturing and farming facilities. Major events which affect these facilities will have a significant impact in the ability of the businesses to serve our customers.

   The core risk management polices revolve around strong resilience plans, both internal and third party, and ensuring that cost effective, comprehensive insurance policies are in place.

   In 2013 we were among one of the first companies in the Netherlands to be ISO22301:2012 certified in business continuity practices whilst in the Caribbean having residual capacity in our snack business has provided a continuity of supply following natural disasters.

2) Commodity Prices. All our businesses are influenced by commodity price inflation, both directly in the form of higher raw material input prices for our food businesses or indirectly through higher distribution costs arising from higher fuel prices.

   In order to mitigate these risks JP has sought, where possible, to pass the risk on to another party. Specifically, JP has sought to enter into either long-term customer contracts that cover fluctuations in raw material prices or medium-term supply contracts that fix the input prices. Where this is not possible, JP manages its purchases of commodities in order to minimise risks, by continually monitoring market prices and ensuring multiple supply sources to provide flexibility. JP continues to invest in supply chain optimisation in order to seize opportunities presented by economies of scale and offset part of this risk.

3) Reputational Risk. JP and its associated brands and subsidiaries operate with significant reputational assets, either in the form of a direct brand or in the form of an indirect brand through a perception of service and quality.

   JP and its subsidiaries highly value these assets, and management ensures that staff members are constantly aware of the quality levels, service and customer experience we seek to deliver. All our business units have established measurement criteria for monitoring this as well as training programmes to manage our employees' development in this area.

Financial Risks

These risks arise from both our operating business units and from our substantial financial asset base. Our most significant risks are:

1) Currency Risk. With an asset base and revenues derived in multiple currency environments, JP's multinational businesses expose it to substantial gains and losses on foreign exchange. JP's prime exposure is to the Euro, US Dollar and British Pound. At a business unit level, each operation naturally hedges as far as possible any currency risks in income and expenses, through the choice of transactional currency. JP did not seek to enter into any foreign currency derivative or hedging instrument in 2014 or in the last 5 years.

   At a group level, JP has structured its subsidiaries and its assets in order to minimise the exposure to currency risk, however, this does not eliminate translational currency risks which in periods of Jamaican dollar appreciation will cause a decline in the Jamaican book values of non-Jamaican assets.

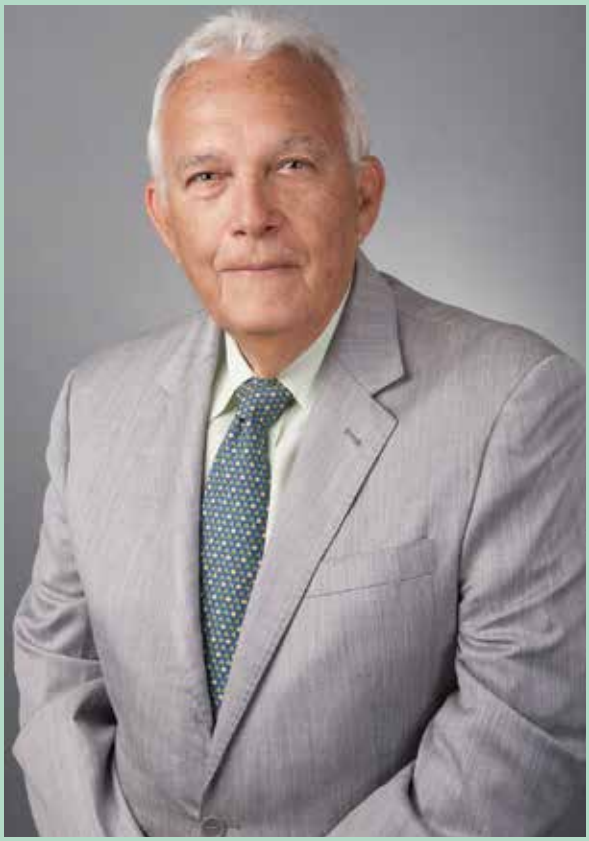
2) Credit Risk. This represents the risk of failure by a third party in settling an outstanding debt to JP.

   At a business unit level, each operation manages credit risk according to the environment in which it operates. Each unit assesses trading relationships, in conjunction with financial information, and sets limits on the amount of exposure placed on that relationship. The Group has established credit policies and implemented warning and reporting tools to allow escalation of issues when they arise.

3) Interest Rate Risk. This represents the risk to the value or cash flows of a financial instrument from fluctuations in interest rates.

   JP has a moderate level of debt with a debt to equity ratio of 37% in 2014. Of the interest-bearing debt at the end of 2014 over 93% is in Jamaica and denominated in Jamaican Dollars. We have a bias in Jamaica to fixed currency rates in order to mitigate risk of future interest rate volatility. Where we utilise variable rates we have in most cases applied a cap to limit the risk of high interest rates. Our overseas debt has a blend of fixed and variable interest rates to balance our exposure.

   The interest rate on our interest-bearing assets is fixed, however, we manage the balance between risk and rewards by monitoring the maturity profile of these assets.

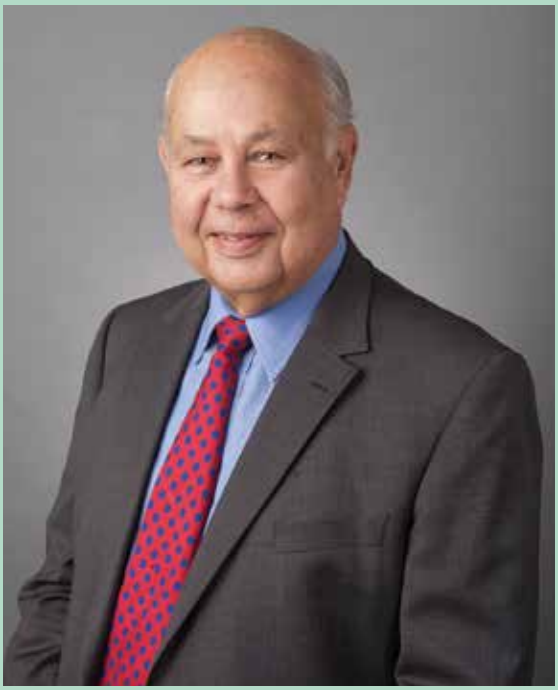


Charles H. Johnston
Chairman

Charles H. Johnston, CD, BSc (Econ.), is the Executive Chairman of Jamaica Fruit and Shipping Company Limited. He joined the board of Jamaica Producers Group in 1975 and has served as Chairman since 1986. He chairs the Executive and Compensation and Human Resources Committees and serves on the Audit Committee of the Board. He is a past president of the Shipping Association of Jamaica and is an honorary member of that Association's Management Committee. He is the Deputy Chairman of Scotia Group Jamaica Limited, serves on several other boards including Kingston Wharves Limited and the Jamaica Public Service Company Limited, and is a member of the King's House Foundation. In 2006 Mr. Johnston was conferred with the Order of Distinction, Commander Class, and was also honoured by the Jamaica College Old Boys Association with the Carlton Alexander Award for Excellence. In 2008 he was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica.

Jeffrey McG. Hall
Group Managing Director

Jeffrey McG. Hall, BA, MPP, JD, was appointed Group Managing Director of Jamaica Producers Group in 2007 after joining the Board in 2004 and the Group in 2002. He serves on the Board's Audit and Executive Committees. Mr. Hall is Chairman of Kingston Wharves Limited and Scotia Investments Jamaica Limited, is a Director of Scotia Group Jamaica Limited, JAMPRO and Blue Power Group Limited and is a member of the Council of the Institute of Jamaica. Mr. Hall received his Bachelor of Arts degree (with honours) in Economics from Washington University, his Masters degree in Public Policy from Harvard University and his Juris Doctorate (with honours) from Harvard Law School. He has practised law as a member of the New York Bar.

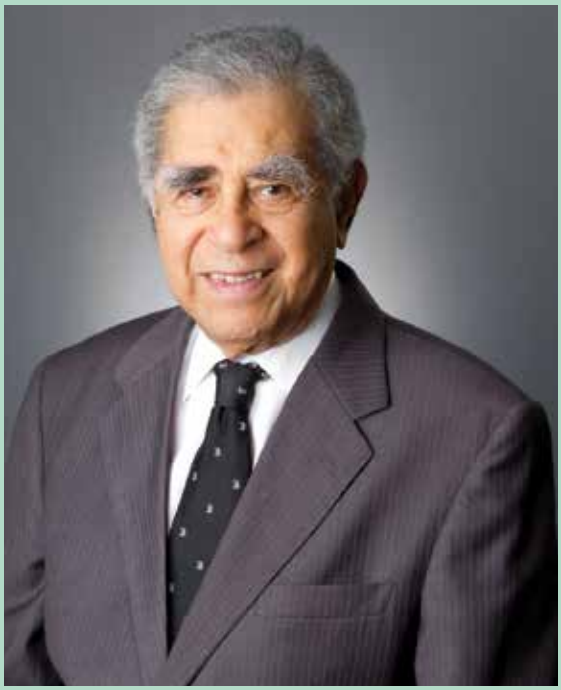


Oliver F. Clarke

Patricia R. Francis

The Hon. Oliver F. Clarke, OJ, JP, BSc, (Econ.), FCA, LLD (Hon.) is the Chairman of the Gleaner Company Limited and Chairman of Jamaica National Building Society. He was appointed to the Board of Jamaica Producers Group in 2008. Mr. Clarke also serves on the boards of several other companies.
He is a Past President of the Private Sector Organisation of Jamaica ("PSOJ"). In 1997 he was inducted into the Hall of Fame of the PSOJ. In 1998, Mr. Clarke was awarded the Order of Jamaica.

Patricia R. Francis, BSc, a global trade and development expert is Chairman of the Public Sector Transformation and Modernisation Committee and is the former Executive Director of the International Trade Centre ("ITC"), a joint agency of the World Trade Organisation and the United Nations. Prior to joining the ITC, Mrs. Francis served as the president of JAMPRO (Jamaica Trade and Invest). She also served twice as the President of the World Association of Investment Promotion Agencies, the China-Caribbean Business Council and the Commonwealth's Eminent Persons Group. She currently serves on the advisory boards of the IESE Graduate Business School, Sciences Po Masters in Public Administration, B & D Trawling Limited and is a member of the African Caribbean & Pacific ("ACP") Eminent Persons Group, reviewing the ACP future relationships with the European Union. In 2006 she was conferred with the Commander of the Order of Civil Merit by the Government of Spain. Mrs. Francis was appointed to the Board of Jamaica Producers Group in 2013.



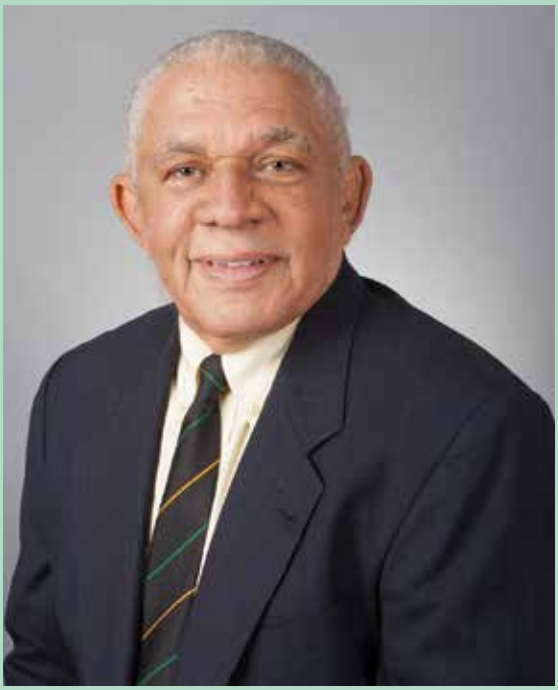
Emil C. George

Marshall McG. Hall

The Hon. Emil C. George, OJ, QC, BCL, MA (Oxon.), Attorney-at-Law, is the Honorary Consul for Dominica. He was appointed to the Board of Jamaica Producers Group in 1981. His other directorships include Chairman of Crown Packaging Limited and Member of the Board of the St. Andrew Parish Foundation. Mr. George was appointed Queen's Counsel in 1970 and was conferred with the Order of Jamaica in 2002.

Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD, was the Group Managing Director from 1979 until his retirement in 2007. He serves on the Board's Audit, Compensation and Human Resources and Executive Committees in addition to being a Board member of subsidiary companies. He is a director of Kingston Wharves Limited and currently serves on the Council of the University of the West Indies, the Police Services Commission and the Police Civilian Oversight Authority. He was formerly Executive Chairman of Jamaica Public Service Company and a Professor at the University of the West Indies and Washington University. Dr. Hall was inducted into the Private Sector Organisation of Jamaica Hall of Fame in 2005. He was conferred with the Order of Jamaica in 2010.

Dahlia E. Kelly



John O. Minott

Dahlia Kelly, BSc, is Managing Director of Patsy Kelly and Associates, an Executive Placement Service. She has served in various positions at Jamaica Producers Group and serves on the Board's Executive Committee. Mrs. Kelly is also a Trustee of the Sydney A. Phillips Scholarship Trust. She has served as a Director of Jamaica Producers Group since 1988.

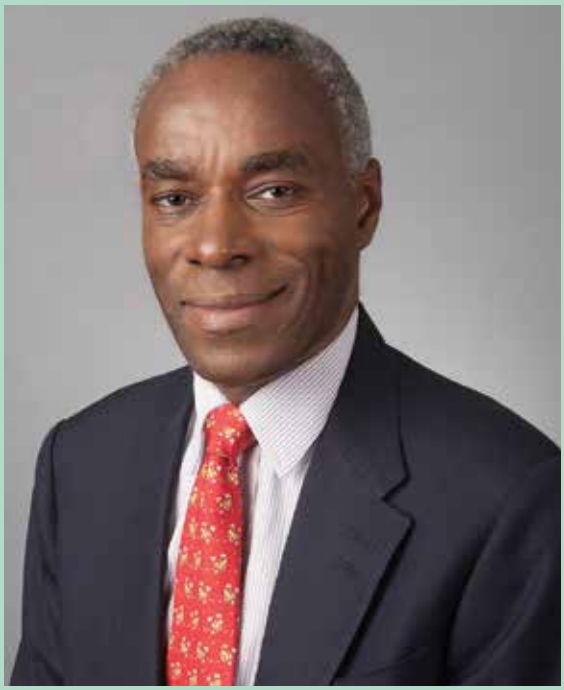
John O. (Jackie) Minott, CD, BCom, JP, has served as a Director of Jamaica Producers Group since 1993. He is a member of the Audit and Executive Committees of the Board. He is Managing Director of the family-owned Jamaica Standard Products Company Limited. Mr. Minott chaired the Munro & Dickenson Trust for over 20 years. He currently sits on the Boards of the Barita Unit Trust and the Manchester Parish Development Committee and served previously as a Director of Jamaica Trade and Invest (now JAMPRO). In 1994 Mr. Minott was awarded the Jamaica Exporters' Association Trailblazer Award and in 2000 was conferred with the Order of Distinction, Commander Class.

Kathleen A.J. Moss

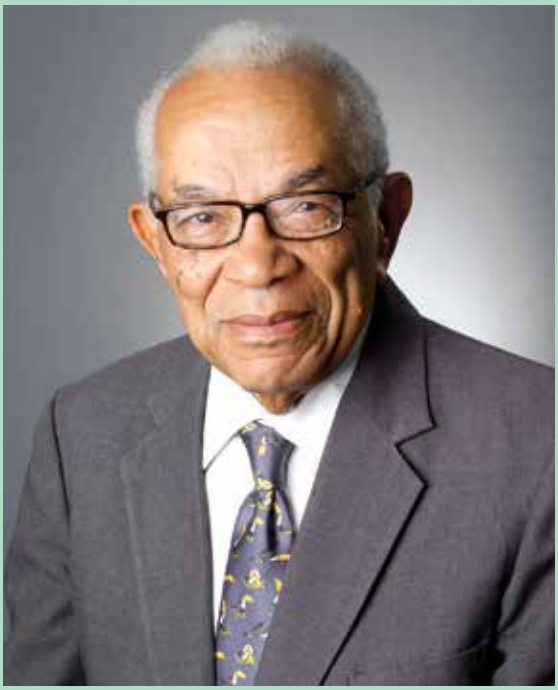
Donovan H. Perkins

Kathleen A. J. Moss, BSc, MBA, CBV, is a Management Consultant and Chartered Business Valuator with Sierra Associates, an independent advisory and business valuation firm that she established in 1993. She was appointed to the Board of Directors of Jamaica Producers Group in 1999. She is a member of the Executive and Compensation and Human Resources Committees and chairs the Audit Committee. Mrs. Moss serves on the Boards of JN General Insurance Company, where she is Chairman, Kingston Wharves Limited, Pan Jamaican Investment Trust, Jamaica National Building Society and Assurance Brokers Jamaica Limited. She is a trustee of the Violence Prevention Alliance and sits on the Finance Committee of the Archdiocese of Kingston. Mrs. Moss is a member of the Canadian Institute of Chartered Business Valuators and is a graduate of the University of the West Indies and McGill University.

Donovan H. Perkins, BA (Hons.), MBA is the President and CEO of Sagicor Bank Jamaica Limited. Prior to joining Sagicor, he worked in the United States at Bank of America in Corporate Banking. Mr. Perkins has served as a Director of Jamaica Producers Group since 2007. In addition, he sits on the Board of Pan Jamaican Investment Trust Limited, Sagicor Investments Jamaica Limited and is the Chairman of the Tourism Linkages Council. He previously served as Chairman of the Jamaica Stock Exchange, Deputy Chairman of the National Water Commission and Vice President of the Private Sector Organisation of Jamaica. Mr. Perkins holds a Bachelor's Degree in Finance (Hons.) from the University of South Florida and an MBA with concentrations in Finance and Marketing from The Darden School at the University of Virginia.



Alvin G. Wint



Aubrey E. Ffrench

Alvin Wint, BSc, MBA, DBA, is Professor of International Business and Special Adviser (External Relations) to the Vice Chancellor of the University of the West Indies. He has served the UWI in various capacities, including as a Pro Vice Chancellor. He joined the Board of Jamaica Producers Group in 1998 and is a member of the Group's Audit Committee. He also serves on the Board of the National Commercial Bank Jamaica Limited ("NCB") and several of its subsidiaries and is the Chairman of the NCB Group Audit Committee. Professor Wint serves as Chairman of the Statistical Institute of Jamaica and provides public service in many other capacities nationally and regionally. He holds a doctorate in International Business from Harvard University, has published extensively in the fields of international competitiveness and international investment policy and has provided advisory services to several multilateral institutions. He has received numerous scholarly and professional awards including the UWI Vice-Chancellor's Award for Excellence.

Aubrey E. Ffrench, Hon. Director (since September 2007) joined the staff of Jamaica Producers Group in 1961 and was appointed a member of the Board in 1990. Prior to that, he served Jamaica Producers Group in several capacities including Accountant, Manager and as Company Secretary for over 33 years at his retirement in 1994.

Jeffrey McG. Hall - CEO

Alan Buckland - Group Finance Director

Paul Samuels - Group Financial Controller & Company Secretary

David Martin - Director, Business Support

Cheryl Wright - Director of Risk Management

Florence Reid - Group Quality & New Product Development Manager

V. Andrew Whyte - Group Treasurer

Lisa McG. Johnston - Corporate Affairs Manager

Taneka Whyte - Accountant, Corporate Division

Hoogesteger (Subsidiary Company)

Michiel van 't Hek - General Manager

Marco Zohlandt - Financial Controller

JP Tropical Foods (Subsidiary Company)

Benjamin Valdez - General Manager - JP Snacks

Antoinette Livingston - Financial Controller

D. Neil Crum-Ewing - Commercial Manager

Damian Graham - General Manager - JP Farms

Four Rivers (Subsidiary Company)

Noel McKenzie JP - General Manager

Camille Lawson - Financial Controller

Tortuga International (Subsidiary Company)

Marcus Simmonds - General Manager

Diane Tomlinson-Smith - Financial Controller

Mavis Bank (Joint Venture Company)

Senator Norman Grant JP - Managing Director

Desrene Blake - Financial Controller

Kingston Wharves (Associated Company)

Grantley Stephenson CD, JP - CEO

Clover Moodie - Group Chief Financial Officer

DIRECTORS' REPORT

The Directors present this report, the Chairman's Statement and the Audited Financial Statements of the Company and the Group for the year 2014 to the 78th Annual General Meeting.

FINANCIAL STATEMENTS

The Group's financial statements are shown on pages 34 to 83 of this publication.

Highlights are:

	2014 $M	2013 $M
Gross Operating Revenue	8,817	7,754
Group Attributable Profit	358	252
Retained earnings January 1	3,073	2,860
Retained earnings December 31	3,355	3,073
Profit per stock unit:-		
based on stock units in issue	191.54¢	134.89¢
after excluding stocks held by the ESOP	210.04¢	148.24¢
Stockholders' Funds per stock unit at December 31, net of stock units held by the ESOP, amounted to	$34.34	$33.46

DIVIDENDS	$'000	$'000
Interim of 20 cents (2013 - 20 cents) per ordinary stock unit– paid January 29, 2015 (2013 paid January 28, 2014)	37,405	37,405

No final dividend is recommended in respect of 2014.

AUDITORS

The Auditors, KPMG, Chartered Accountants, 6 Duke Street, Kingston, Jamaica have expressed their willingness to continue in office.

DIRECTORS

Your Directors who served diligently during the year are:-
The Hon. Oliver F. Clarke, OJ, JP, BSc (Econ.),FCA, LLD (Hon.)
Mrs. Patricia R. Francis, BSc
The Hon. Emil C. George, OJ, QC, BCL, MA (Oxon.)
Mr. Jeffrey McG. Hall, BA, MPP, JD - Group Managing Director
Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD
Mr. Charles H. Johnston, CD, BSc (Econ.) - Chairman
Mrs. Dahlia E. Kelly, BSc
Mr. John O. Minott, CD, BCom, JP
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Donovan H. Perkins, BA (Hons.), MBA
Prof. Alvin G. Wint, BSc, MBA, DBA

Mr. Donovan Perkins and Prof. Alvin Wint retire by rotation and being eligible offer themselves for re-election in accordance with the Articles of Incorporation.

C. H. Johnston
Chairman
April 15, 2015

BOARD COMMITTEES

AUDIT COMMITTEE


Mrs. Kathleen Moss - Chair


Mr. Jeffrey Hall


Dr. the Hon. Marshall Hall


Mr. Charles Johnston


Mr. John Minott


Prof. Alvin Wint

Composition
The Audit Committee is appointed by the Board and consists of at least three (3) members who should be non-executive directors, the majority of whom should be identified by the Board as Independent. The Board Chairman shall not be appointed Chairman of the Audit Committee. This committee comprises four non-executive directors of which three have been identified by the Board as independent.

Functions
- Monitors the adequacy and effectiveness of JP Group's systems of risk management and internal control
- Reviews JP Group's annual and interim financial statements and related accounting policies and assumptions and any accompanying reports or related policies and statements
- Monitors and reviews the effectiveness of JP Group's internal audit function
- Monitors and reviews the external auditor's independence, objectivity and effectiveness
- Develops and implements policy on the engagement of the external auditor to supply non-audit services
- Reviews and approves related party transactions

COMPENSATION AND HUMAN RESOURCES COMMITTEE (CHRC)


Mr. Charles Johnston - Chair


Dr. the Hon. Marshall Hall


Mrs. Kathleen Moss

Composition
The Board appoints not less than two (2) and up to four (4) Directors excluding Executive Directors.

Functions
This committee is responsible for keeping under review the composition of the Board and succession to it. The CHRC makes recommendations to the Board in consultation with the Company's Chairman and Group Managing Director concerning potential appointments, having regard to the balance and structure of the Board and the required blend of skills and experience.

The CHRC serves inter alia to:
- nominate potential candidates and evaluate the suitability of those candidates for future Board membership
- propose potential candidates to the Board for approval
- approach the potential candidate and upon positive response, introduce the candidate to the Board

The CHRC also conducts an annual review of the remuneration policies for Executive Directors and Senior Officers of JP Group as well as material employee benefits and compensation plans and programmes. This review includes an assessment of whether the JP Group's compensation plans are consistent with the sustainable achievement of its business objectives, the prudent management of its operations and the risks to which it is exposed and assesses adherence to JP Group's processes, policies, procedures and controls. The CHRC reviews the JP Group's senior level organisation structure and management succession plan at least annually.

EXECUTIVE COMMITTEE


Mr. Charles Johnston - Chair


Mr. Jeffrey Hall


Dr. the Hon. Marshall Hall


Mrs. Dahlia Kelly


Mr. John Minott


Mrs. Kathleen Moss

Composition
The Executive Committee is appointed by the Board and comprises not more than six (6) Directors.

Functions
The Executive Committee is responsible for carrying out, at short notice, a review of critical business decisions for which Executive Management is required or has elected to obtain the support, advice and/or approval of the Board.

Directors' Attendance

	Annual General Meeting	Board Meetings	Audit Committee Meetings	CHRC Meetings	Executive Committee Meetings
Number of Meetings for the year	**1**	**8**	**4**	**1**	**0**
Charles Johnston	1	8	4	1	0
Jeffrey Hall	1	8	4	N/A	0
Oliver Clarke	0	5	N/A	N/A	N/A
Patricia Francis	0	4	N/A	N/A	N/A
Emil George	1	3	N/A	N/A	N/A
Marshall Hall	1	8	4	1	0
Dahlia Kelly	1	7	N/A	N/A	0
John Minott	1	6	3	N/A	0
Kathleen Moss	1	8	4	1	0
Donovan Perkins	1	5	N/A	N/A	N/A
Alvin Wint	1	6	4	N/A	N/A

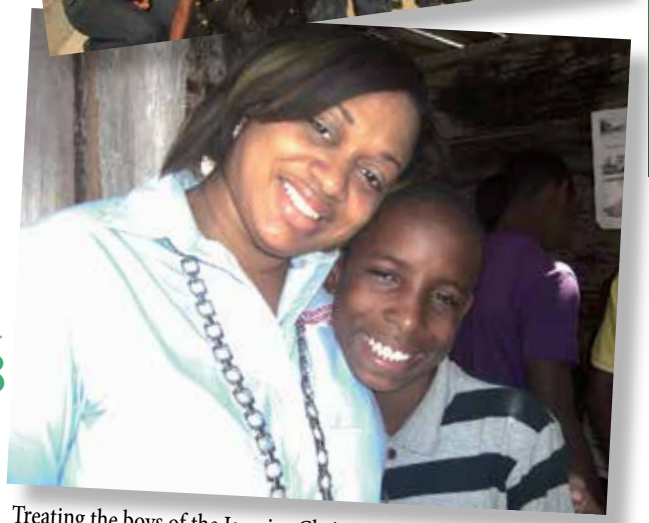
STOCKHOLDINGS OF DIRECTORS AND OFFICERS

December 31, 2014

	Personal shareholdings	Shareholdings in which Director/Officer has a controlling interest	Total
DIRECTORS			
The Hon. O. F. Clarke	-	1,674,849	1,674,849
Mrs. P. R. Francis	-	-	-
The Hon. E.C. George	4,687	-	4,687
Mr. J. McG. Hall	3,331,614	-	3,331,614
Dr. M. McG. Hall	-	14,598,054	14,598,054
Mr. C.H. Johnston	647,389	11,099,090	11,746,479
Mrs. D. E. Kelly	121,833	89,700	211,533
Mr. J.O. Minott	13,182	-	13,182
Mrs. K.A.J. Moss	2,208,238	2,351,840	4,560,078
Mr. D. H. Perkins	5,000	-	5,000
Prof. A.G. Wint	8,228	-	8,228
OFFICERS			
Mr. Alan Buckland	95,381	-	95,381
Mr. Paul Samuels	23,041	-	23,041
TRUSTEES			
Jamaica Producers Group Limited ESOP	16,287,919	-	16,287,919

TOP TEN STOCKHOLDERS
December 31, 2014

Trustees - Jamaica Producers Group Limited ESOP	16,287,919
McGowan Properties Limited	14,598,054
Grace Kennedy Pension Scheme	10,025,848
Lennox Portland Limited et al	11,746,479
National Insurance Fund	6,231,401
Sagicor Pooled Equity Fund	6,000,000
David and Kathleen Moss	4,560,078
Sagicor Life Jamaica Limited	4,019,852
Jeffrey McGowan Hall	3,331,614
NCB Insurance Co. A/C WT 109	3,179, 547

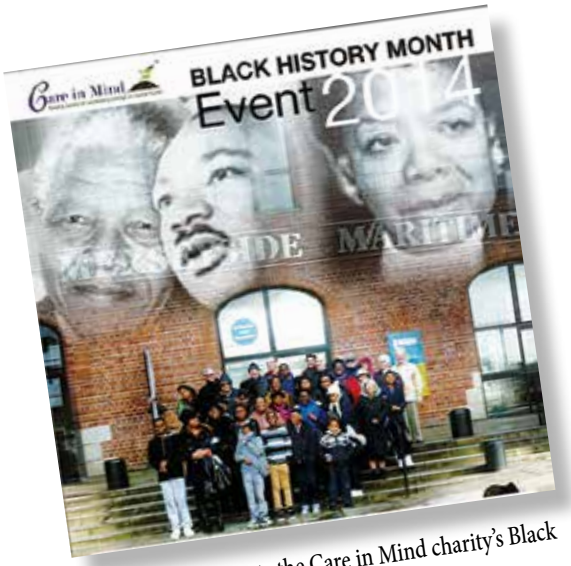


Treating the boys of the Jamaica Christian Boys Home in Pt. Royal.

Promoting healthy eating on the go.

Sponsoring the Jamaica Environment Trust Action Award in Sustainable Agriculture.

Antillean Foods supporting the local clinic in Cana Chapeton, Dominican Republic.



JP Shipping Supports the Care in Mind charity's Black History Month field trip in the UK.

Team building at the JP Family Fun Day.

Pleasing our customers at the St. Mary Agri Expo.

Planting trees with St Mary students for National Child Month.

JP SUPPORTING EDUCATION

Celebrating being awarded one of the many scholarships and support given to children the of JPTF employees at the primary through tertiary level.

Antillean Foods, being recognised for their support to the Rio Viejo Basic School.

OUR COMMUNITY KEEPING FIT FOR A CAUSE

Members of the Hoogesteger team participate in the Dam to Dam (Amsterdam to Zaandam, Holland) run.

Members of the Tortuga Barbados team Run for the Cure.

JP receives an award for its unwavering support over the years of the Sydney A. Phillips Scholarship Trust which awards scholarships to students in St. Mary.

JP treats Tacky High School CSEC students during their exams, shortly after vandals robbed and burnt a part of their school.

The JP Jamaica team participating in the annual Sigma Fund Run.

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone + 1(876) 922-6640
Fax + 1(876) 922-7198
+ 1(876) 922-4500
e-Mail: firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the consolidated financial statements of Jamaica Producers Group Limited and its subsidiaries ("the group"), set out on pages 34 to 83, which comprise the group balance sheet as at December 31, 2014, the group profit and loss account, statements of profit or loss and other 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 give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

KPMG

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the group as at December 31, 2014, and of the group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Additional reporting requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

February 27, 2015

GROUP BALANCE SHEET
December 31, 2014

	Notes	2014 $'000	2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(c),4	322,281	398,920
Short-term investments	3(d),5	283	90,084
Securities purchased under resale agreements	3(e)	148,730	37,394
Accounts receivable	6	993,898	836,795
Taxation recoverable		10,121	30,646
Inventories	7	492,300	509,698
Total current assets		1,967,613	1,903,537
CURRENT LIABILITIES			
Credit facilities		57,069	53,591
Accounts payable	8	1,564,747	1,213,981
Taxation		42,879	64,305
Current portion of long-term loans	19	106,155	72,810
Total current liabilities		1,770,850	1,404,687
WORKING CAPITAL		196,763	498,850
NON-CURRENT ASSETS			
Biological assets	9	134,773	128,158
Interest in associated companies and joint ventures	10	4,246,761	2,885,935
Investments	12	358,095	540,506
Intangible assets	14	1,193,198	1,187,879
Deferred tax assets	15	2,226	2,492
Property, plant and equipment	16	2,040,780	1,904,643
Total non-current assets		7,975,833	6,649,613
Total assets less current liabilities		8,172,596	7,148,463
EQUITY			
Share capital	17	18,702	18,702
Reserves	18	5,844,991	5,679,105
Total equity attributable to equity holders of the parent		5,863,693	5,697,807
NON-CONTROLLING INTEREST	11	322,044	333,296
Total equity		6,185,737	6,031,103
NON-CURRENT LIABILITIES			
Long-term loans, being total non-current liabilities	19	1,986,859	1,117,360
Total equity and non-current liabilities		8,172,596	7,148,463

The financial statements on pages 34 to 83, were approved for issue by the Board of Directors on February 27, 2015 and signed on its behalf by:

_____ Chairman
C. H. Johnston

_____ Managing Director
J. Hall

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

GROUP PROFIT AND LOSS ACCOUNT

Year ended December 31, 2014

	Notes	2014 $'000	2013 $'000
Gross operating revenue	20	8,817,029	7,753,863
Cost of operating revenue		(6,846,671)	(5,977,926)
Gross profit		1,970,358	1,775,937
Marketing, selling and distribution costs		(610,190)	(543,871)
Administration and other operating expenses		(1,357,749)	(1,187,854)
Profit from operations		2,419	44,212
Share of profit in associated companies and joint ventures		342,157	390,157
Net gain from fluctuations in exchange rates		5,591	15,921
Gain on disposal of property, plant and equipment and investments		171,437	116,077
Restructuring cost	1	-	(35,953)
Net other income and expenses		11,386	-
Profit before finance cost and taxation		532,990	530,414
Finance cost - interest	21	(128,085)	(99,392)
Profit before taxation		404,905	431,022
Taxation charge	23	(86,079)	(161,062)
Profit for the year	24	318,826	269,960
Attributable to:			
Parent company stockholders		358,220	252,273
Non-controlling interest		(39,394)	17,687
		318,826	269,960
Dealt with in the financial statements of:			
The company		219,573	221,565
Subsidiary companies		(182,440)	(239,957)
Associated companies and joint ventures		321,087	270,665
		358,220	252,273
Profit per ordinary stock unit:	25		
Based on stock units in issue		191.54¢	134.89¢
After exclusion of stock units held by ESOP		210.04¢	148.24¢

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

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2014

	2014 $'000	2013 $'000
Profit for the year	318,826	269,960
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss:		
Exchange gain on translating foreign operations	25,827	472,892
Share of other comprehensive expense of associated companies	(42,535)	(4,964)
Net change in fair value of available-for-sale investments	39,760	44,294
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	(161,646)	(15,757)
	(138,594)	496,465
Total comprehensive income for the year	180,232	766,425
Attributable to:		
Parent company stockholders	191,484	692,216
Non-controlling interest	(11,252)	74,209
	180,232	766,425

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

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2014

	Share capital $'000 (note 17)	Share premium $'000 (note 18)	Capital reserves $'000	Fair value reserve $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders' equity $'000	Non - controlling interest $'000	Total equity $'000
Balances at December 31, 2012	18,702	135,087	1,952,467	229,048	(178,988)	2,859,859	5,016,175	259,087	5,275,262
Total comprehensive income:									
Profit for the year	-	-	-	-	-	252,273	252,273	17,687	269,960
Other comprehensive income									
Exchange gains arising on retranslation of foreign operations	-	-	416,370	-	-	-	416,370	56,522	472,892
Share of other comprehensive income of of associated companies	-	-	-	-	-	(4,964)	(4,964)	-	(4,964)
Net change in fair value of available-for-sale investments	-	-	-	44,294	-	-	44,294	-	44,294
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(15,757)	-	-	(15,757)	-	(15,757)
Total other comprehensive income/(expense)	-	-	416,370	28,537	-	(4,964)	439,943	56,522	496,465
Total comprehensive income for the year	-	-	416,370	28,537	-	247,309	692,216	74,209	766,425
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	5,523	-	5,523	-	5,523
Distributions to stockholders (note 26)	-	-	-	-	-	(34,001)	(34,001)	-	(34,001)
Unclaimed distribution to stockholders	-	-	17,894	-	-	-	17,894	-	17,894
	-	-	17,894	-	5,523	(34,001)	(10,584)	-	(10,584)
Balances at December 31, 2013	18,702	135,087	2,386,731	257,585	(173,465)	3,073,167	5,697,807	333,296	6,031,103
Retained in the financial statements of:									
The company	18,702	135,087	1,607,019	253,804	-	2,482,631	4,497,243		
Subsidiary companies	-	-	807,444	3,781	(173,465)	328,818	966,578		
Associated companies and joint ventures	-	-	(27,732)	-	-	261,718	233,986		
Balances at December 31, 2013	18,702	135,087	2,386,731	257,585	(173,465)	3,073,167	5,697,807		

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

GROUP STATEMENT OF CHANGES IN EQUITY (Cont'd)

Year ended December 31, 2013

	Share capital $'000 (note 17)	Share premium $'000 (note 18)	Capital reserves $'000	Fair value reserve $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders' equity $'000	Non - controlling interest $'000	Total equity $'000
Balances at December 31, 2013	18,702	135,087	2,386,731	257,585	(173,465)	3,073,167	5,697,807	333,296	6,031,103
Total comprehensive income:									
Profit/(loss) for the year	-	-	-	-	-	358,220	358,220	(39,394)	318,826
Other comprehensive income									
Exchange (losses)/gains arising on retranslation of foreign operations	-	-	(2,315)	-	-	-	(2,315)	28,142	25,827
Share of other comprehensive expense of of associated companies	-	-	-	-	-	(42,535)	(42,535)	-	(42,535)
Net change in fair value of available-for-sale investments	-	-	-	39,760	-	-	39,760	-	39,760
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(161,646)	-	-	(161,646)	-	(161,646)
Total other comprehensive (expense)/income	-	-	(2,315)	(121,886)	-	(42,535)	(166,736)	28,142	(138,594)
Total comprehensive (expense)/income for the year	-	-	(2,315)	(121,886)	-	315,685	191,484	(11,252)	180,232
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	1,266	-	1,266	-	1,266
Distributions to stockholders (note 26)	-	-	-	-	-	(34,001)	(34,001)	-	(34,001)
Unclaimed distribution to stockholders	-	-	7,137	-	-	-	7,137	-	7,137
	-	-	7,137	-	1,266	(34,001)	(25,598)	-	(25,598)
Balances at December 31, 2014	18,702	135,087	2,391,553	135,699	(172,199)	3,354,851	5,863,693	322,044	6,185,737
Retained in the financial statements of:									
The company	18,702	135,087	1,614,156	135,539	-	2,664,799	4,568,283		
Subsidiary companies	-	-	777,397	160	(172,199)	60,367	665,725		
Associated companies and joint ventures	-	-	-	-	-	629,685	629,685		
Balances at December 31, 2014	18,702	135,087	2,391,553	135,699	(172,199)	3,354,851	5,863,693		

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

GROUP STATEMENT OF CASH FLOWS

Year ended December 31, 2014

	Notes	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Adjustment for:			
Profit for the year attributable to parent company stockholders		358,220	252,273
Adjustments for:			
Items not affecting cash:			
Depreciation and impairment losses – property, plant and equipment	16	266,117	214,282
Amortisation and impairment losses – biological assets	9	24,145	23,459
Amortisation and impairment losses – intangible assets	14	35,528	29,844
Exchange movement in working capital		(57,738)	(49,668)
Current taxation charge	23(a)	85,757	161,995
Deferred tax, net	23(a)	322	(933)
Gain on acquisition of subsidiaries	13	(30,011)	-
Provision against long term receivables	12	18,625	-
Gain on disposal of property, plant and equipment and investments		(171,437)	(116,077)
Share of profit in associated companies and joint ventures		(299,622)	(385,193)
Non-controlling interest in profit for the year		(11,252)	74,209
Interest earned		(19,086)	(34,015)
Interest expense		128,085	99,392
		327,653	269,568
(Increase)/decrease in current assets:			
Accounts receivable		(94,579)	(231,944)
Taxation recoverable		20,525	41,845
Inventories		49,212	(155,766)
Increase/(decrease) in current liabilities:			
Accounts payable		197,842	267,991
Tax (paid)/refunded		(40,226)	15,191
Net cash provided by operating activities		460,427	206,885
CASH FLOWS FROM INVESTING ACTIVITIES			
Biological assets	9	(30,760)	(103,660)
Short-term investments		89,801	41,232
Interest received		10,612	32,970
Securities purchased under resale agreements		(111,338)	138,193
Additions to property, plant and equipment	16	(342,905)	(277,502)
Proceeds from disposal of investments and property, plant and equipment, net of own shares acquired by ESOP		224,711	140,083
Acquisition of subsidiaries, net of cash acquired		2,974	-
Interests in associated companies and joint ventures		(1,121,097)	25,863
Long-term loans receivable		1,826	2,698
Additions to investments		-	(250)
Net cash used by investment activities		(1,276,176)	(373)

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

	2014 $'000	2013 $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term credit lines	3,478	22,721
Long-term loans	857,743	(64,536)
Interest paid	(95,350)	(93,398)
Distributions to stockholders, net	(26,864)	(43,473)
Net cash provided/(used) by financing activities	739,007	(178,686)
Net (decrease)/increase in cash and cash equivalents	(76,742)	27,826
Cash and cash equivalents at beginning of the year	398,920	323,929
Exchange gain on foreign currency cash and cash equivalents	103	47,165
Cash and cash equivalents at end of the year	322,281	398,920

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

1. The company

Jamaica Producers Group Limited ("company") is incorporated and domiciled in Jamaica. The company's registered office is located at 6A Oxford Road, Kingston 5.

The main activities of the company and its subsidiaries ("group") (note 33) are juice and food manufacturing, the cultivation, marketing and distribution of fresh produce locally, logistics, land management and the holding of investments.

During the year the group acquired an additional 11.59% shares in Kingston Wharves Limited (KWL) which resulted in the group holding 42% of the issued shares of that company (note 10) at year-end.

During the prior year one of the group's subsidiaries restructured its banana operations and as a consequence made the positions of 80 workers redundant following damage caused by Hurricane Sandy in October, 2012. An exceptional item of $35,953,000 was recorded in relation to this cost and other associated costs of restructuring.

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) and their interpretations, issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

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, with a date of initial application of January 1, 2014. The nature and effects of the changes are as follows:

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of interest in Other Entities* and IAS 27 *Consolidated* and *Separate Financial Statements* and effective for accounting periods beginning on or after January 1, 2014. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss, instead of consolidating those subsidiaries in its financial statements. In addition, the amendments introduce new disclosure requirements related to investment entities in IFRS 12 *Disclosure of Interests in Other Entities and* IAS 27 *Separate financial Statements.*

- Amendments to IAS 36 *Impairment of Assets*: *Recoverable Amount Disclosures for Non-financial Assets*, which is effective for accounting periods beginning on or after January 1, 2014, reverse the unintended requirement in IFRS 13 *Fair Value Measurement*, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. The amendment requires the recoverable amount to be disclosed only when an impairment loss has been recognised or reversed.

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

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

- IFRIC 21 *Levies* is effective for accounting periods beginning on or after January 1, 2014. It provides guidance on accounting for levies in accordance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It requires an entity to recognise a liability for a levy when and only the triggering event specified in the legislation occurs.

The adoption of these amendments and interpretation to standards did not result in any changes to amounts recognised or disclosed in these financial statements.

New standards, and interpretations of and amendments to existing standards that are not yet effective:

At the date of authorisation of the financial statements, certain new, revised and amended standards and interpretations, have been issued which are not yet effective and which the group has not early-adopted. The group has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following may be relevant:

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

- IFRS 15, *Revenue from Contracts* with Customers is effective for periods beginning on or after January 1, 2017. It replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue* – Barter Transactions Involving Advertising Services.

  The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence. The group is assessing the impact that the standard will have on its 2017 financial statements.

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

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

New standards, and interpretations of and amendments to existing standards that are not yet effective (cont'd):

- *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 group are as follows:

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

  - IFRS 13*, Fair Value Measurement* is 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 recognised 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 does not expect the amendments to have a significant impact on its 2015 financial statements.

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured. The group does not expect the amendment to have a significant impact on its 2016 financial statements.

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

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

New standards, and interpretations of and amendments to existing standards that are not yet effective (cont'd):

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

The group is assessing the impact that the amendments will have on it 2016 financial statements

- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, which is effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures. The group does not expect the amendment to have a significant impact on its 2016 financial statements.

- Amendments to IAS 16, *Property, Plant and Equipment,* and IAS 41, *Biological Assets, which are* effective for annual reporting periods beginning on or after January 1, 2016, require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 instead of IAS 41. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41. The group does not expect the amendment to have a significant impact on its 2016 financial statements.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*. The group does not expect the amendment to have a significant impact on its 2016 financial statements.

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

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

New standards, and interpretations of and amendments to existing standards that are not yet effective (cont'd):

- *Improvements to* IFRS*, 2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the group are as follows:

  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e. reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

    IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to* IFRS 7*)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting,* require their inclusion.

- IAS 19, *Employee Benefits,* has been amended to clarify that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid. Consequently, the depth of the market for high-quality corporate bonds should be assessed at the currency level and not the country level.

- IAS 34, *Interim Financial Reporting,* has been amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

The group is assessing the impact that these amendments will have on its 2016 financial statements.

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

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value. The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

(c) Use of estimates and judgements:

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amount of, and disclosures relating to assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts 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.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables, as well as timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(ii) Impairment of goodwill and other intangible assets

Impairment of goodwill and other intangibles is dependent upon management's internal assessment of future cash flows from these intangibles and cash-generating units that gave rise to the goodwill. That internal assessment determines the amount recoverable from future use of cash generating units in respect of goodwill. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used [note 14(a)].

It is possible, based on existing knowledge, that outcomes that are different from these assumptions could require a material adjustment to the carrying amount reflected in future financial statements.

(d) Comparative information:

Wherever necessary, the comparative figures are restated to conform to the current year's presentation.

3. Significant accounting policies

The significant accounting policies below conform in all material respects to IFRS.

(a) Basis of consolidation:

(i) Business combinations

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

The group measures goodwill at the acquisition date as:

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

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

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

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

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

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3. Significant accounting policies (cont'd)

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

(iii) Subsidiaries

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee has the ability to affect those returns through its power over the investee 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.

The consolidated financial statements include the financial statements of all subsidiaries, including an Employees Share Ownership Plan (ESOP) classified as a structured entity (note 18), made up to December 31, 2014.

The company and its subsidiaries are collectively referred to as "group".

(iv) Loss of control

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

(v) Joint venture arrangements

A joint venture is a contractual arrangement in which the group has joint control and whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are recognised initially at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of joint ventures using the equity method until the date on which joint control ceases (note 10). If the group's share of losses exceeds its interest in a joint venture the group's carrying amount is reduced to $nil and recognition of further losses is discontinued, except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of a joint venture. If the joint venture subsequently reports gains, the group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

(vi) Associates

Associates are those entities over which the group has significant influence, but not control, or joint control over the financial and operating polices, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost, including transaction costs.

The group's investment is carried at the group's share of the fair value of net identifiable assets of the associate net of any impairment loss identified on acquisition.

3. Significant accounting policies (cont'd)

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

(vi) Associates (cont'd)

The group's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income to the extent that the profits, losses or movements are consistent with the group's significant accounting policies. Should the group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the group will not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

(vii) Transactions eliminated on consolidation

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

(b) Foreign currencies:

The group's foreign assets and liabilities are translated at the buying rates of exchange ruling at the reporting date [note 32(b)(ii)]. Items in the foreign subsidiaries' profit and loss accounts are translated at rates of £1 to J$180.98 (2013: J$155.50), US$1 to J$110.67 (2013: J$99.94), €1 to J$147.17 (2013: J$132.27), being the weighted average rates of exchange for the year.

Other transactions in foreign currencies are converted at the rates of exchange at the dates of those transactions.

Gains and losses arising from translating profit or loss items are included in profit or loss. Unrealised portions of such gains are, ultimately transferred to capital reserve. Exchange differences arising on other changes to stockholders' interests are reflected in other capital reserves [note 18(ii)].

(c) Cash and cash equivalents:

Cash comprises cash in hand, on demand and on call deposits with banks. Cash equivalents are short-term, highly liquid investments 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.

(d) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables maturing within one year. They are acquired for their earnings potential and for balancing the group's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

3. Significant accounting policies (cont'd)

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements ('reverse repos') are short-term transactions in which the purchaser makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the effective interest basis over the period of the transaction and is included in interest income.

(f) Trade and other receivables:

Trade and other receivables are stated at amortised cost, less impairment losses.

(g) Inventories:

Inventories are valued at the lower of cost, determined principally on the first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses.

(h) Trade and other payables:

Trade and other payables, including provisions, are stated at amortised cost. A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Biological assets:

Biological assets represent the cost of primarily pineapple and banana plants which are capitalised up to maturity. These are stated at cost, less accumulated amortisation and impairment losses, as fair value cannot be reliably determined. The costs are normally amortised over a period of two years for pineapple and seven years for bananas.

(j) Investments:

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the group has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held by the group are classified as available-for-sale and are stated at fair value with changes in fair value recognised to other comprehensive income, except for impairment losses and foreign exchange gains and losses in the case of monetary items, such as debt securities. Where these investments are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is recognised in group profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain debt and equity securities.

3. Significant accounting policies (cont'd)

(j) Investments: (cont'd)

The fair value of quoted available-for-sale investments is their bid price.

Available-for-sale investments are recognised/derecognised by the group on the date it commits to purchase or sell the investments. Other investments are recognised/derecognised on the day they are transferred to/by the group.

(k) Intangible assets and goodwill:

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (note 14) and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is including in the carrying amount of the equity accounted investee as a whole.

(ii) Other intangible assets

Other intangible assets that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and any accumulation impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Except for goodwill, intangible assets are amortised on the straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimates useful lives are as follows:

- brands and trademarks 25 years
- customer relationships 15 years
- other identified intangible asset 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

3. Significant accounting policies (cont'd)

(l) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the costs of material and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised as part of the cost of the qualifying asset.

If significant parts of an items of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Leased assets

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements are stated at an amount equal to the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, calculated in accordance with the policy in (iv) below, and impairment losses. After deducting interest attributable to future periods, the net amount payable is included in accounts payable.

(iii) Subsequent costs

The group recognises the cost of replacing part of an item of property, plant and equipment in the carrying amount of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably.

(iv) Depreciation

Property, plant and equipment, including leased assets, with the exception of freehold land, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates, varying between 2% and 50%, estimated to write down the assets to residual values over their expected useful lives. Computer software and equipment are depreciated on the straight-line basis at rates between 25% and 100% per annum. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(m) 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. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

3. Significant accounting policies (cont'd)

(m) Impairment (cont'd):

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows that are largely independent of the cash flows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the combinations.

Impairment losses in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of other assets in the unit on a pro-rata basis. Impairment losses are recognised in group profit or loss.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counterparty or indicators that the customer or counterparty will enter bankruptcy.

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. When a decline in the fair value of an available-for-sale investment 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 in other comprehensive income is recognised in group profit or loss, even though the investment has not been derecognised.

The amount of the cumulative loss that is recognised in group profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in group profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the group's investments in held-to-maturity securities and loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets or CGU is the greater of its value in use and its fair value less cost to sell. Value in use is based on the estimated future cash flows, 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 or CGU. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

(ii) Reversals of impairment

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

3. Significant accounting policies (cont'd)

(m) Impairment (cont'd):

(ii) Reversals of impairment (cont'd)

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through group profit or loss. An impairment loss in respect of goodwill is not reversed. 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.

(n) Loan payable:

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, loans are they are measured at amortised cost using the effective interest method.

(o) Employee benefits:

Employee benefits are all forms of consideration given by the group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, national insurance contributions, annual leave and non-monetary benefits such as medical care and housing, post-employment benefits such as pensions and other long-term employee benefits such as termination benefits. Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- Current employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.

- Post-employment benefits, comprising defined contribution pensions are recognised in profit or loss as they become due.

(p) Revenue:

Revenue from the sale of goods is recognised in the group profit or loss when the significant risks and rewards of ownership have been transferred to the buyer and the group is reasonably certain that economic benefit will be received. Revenue from services rendered is recognised in the group profit or loss in proportion to the stage of completion of the service at the reporting date.

(q) Finance costs:

Finance costs represent interest payable and amortised upfront borrowing costs on borrowings calculated using the effective interest method.

3. Significant accounting policies (cont'd)

(r) Interest income:

Interest income is recognised in the group profit or loss as it accrues, taking into account the effective interest on the asset.

(s) Taxation:

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

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

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at 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.

(t) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. Cash and cash equivalents

	2014 $'000	2013 $'000
Cash and bank balances	322,281	398,920

5. Short-term investments

	2014 $'000	2013 $'000
This comprises fixed deposits.	283	90,084

6. Accounts receivable

	2014 $'000	2013 $'000
Trade receivables	801,901	659,982
Staff receivables	10,180	5,677
Other receivables and prepayments	230,227	211,313
	1,042,308	876,972
Less: allowance for impairment	(48,410)	(40,177)
	993,898	836,795

The movement in allowance for impairment in respect of accounts receivable during the year is as follows:

	2014 $'000	2013 $'000
Balance at beginning of year	40,177	29,017
Impairment losses recognised	16,812	17,672
Impairment losses reversed	(2,235)	(521)
Amounts written-off as uncollectible	(5,288)	(1,950)
Amounts recovered during the year	(907)	(5,526)
Exchange loss on retranslation	(149)	1,485
Balance at end of year	48,410	40,177

The allowance for impairment is used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible, at which point the amount considered irrecoverable is written-off against the receivable directly.

The aging of trade receivables at the reporting date was:

	2014		2013	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	601,242	-	498,915	-
Past due 0 - 30 days	125,876	-	81,045	-
Past due 31 - 120 days	43,556	5,694	59,317	4,366
Past due 121 days - 1 year	22,605	12,278	18,860	14,695
More than 1 year	8,622	8,622	1,845	1,845
	801,901	26,594	659,982	20,906

7. Inventories

	2014 $'000	2013 $'000
Processed goods	127,717	109,607
Raw materials and consumables	349,306	384,415
Spare parts and other	15,277	15,676
	492,300	509,698

8. Accounts payable

	2014 $'000	2013 $'000
Trade payables	1,202,604	899,895
Dividend payable	34,001	34,001
Other	328,142	280,085
	1,564,747	1,213,981

9. Biological assets

	2014 $'000	2013 $'000
Balance at beginning of the year	128,158	47,957
Increase due to new plantings	30,760	103,660
Amortisation in year	(24,145)	(23,459)
Balance at end of the year	134,773	128,158

10. Interest in associated companies and joint ventures

The group's associated company and joint venture investments, which are recognised using the equity method, are set out below:

	2014 $'000	2013 $'000
(a) Interest in joint ventures		
50% joint venture investments in:		
(i) a Jamaican Blue Mountain coffee processor/distributor	200,765	206,996
(ii) a banana and plantain chip manufacturing business	-	48,999
	200,765	255,995
(b) Interest in associates		
Associated companies:		
(i) 40% investment in bakery operations	165,802	129,055
(ii) 42% investment in a multi-purpose port operator	3,880,194	2,500,885
	4,045,996	2,629,940
	4,246,761	2,885,935

10. Interest in associated companies and joint ventures (cont'd)

(a)(i) The group has a 50% holding in a joint venture company, Mavis Bank Coffee Factory Limited that processes and sells Jamaican Blue Mountain coffee. Up to December 31, 2014, the group's contribution to that joint venture was $136 million (2013: $136 million) used for working capital financing and start-up costs.

(a)(ii) Until September 26, 2014, the group held a 50% holding in Antillean Foods, Inc., a banana and plantain chip manufacturing business located in the Dominica Republic. On September 26, 2014, the group acquired the remaining 50% and this business is now recognised as a subsidiary (note 13).

(b)(i) The group holds a 40% holding in Tortuga Cayman Limited, a company that manufactures and distributes baked products through the group's subsidiary, Tortuga International Holdings Limited.

(b)(ii) The group holds a 42% (2013:30%) shareholding in Kingston Wharves Limited, which operates public wharves and provides security and cold storage services.

Kingston Wharves Limited is listed on the Jamaica Stock Exchange. Based on its closing price of $6.00 (2013: $6.06) per share at the reporting date, the fair value of the group's investment is $3.6 billion (2013:$2.6 billion). During the year the group received dividends of $43.2 million (2013: $77.7 million).

The other associated company and joint venture are not publicly listed and consequently, do not have published price quotations.

(c) The following table summarises the financial information of Mavis Bank Coffee Factory Limited and Antillean Foods, Inc. as included in their own financial statements, after fair value adjustments on acquisition and elimination of differences in accounting policies and intercompany transactions. The table also reconciles the summarised financial information to the carrying amount of the group's interest in both joint ventures.

	Mavis Bank Coffee Factory Limited		Antillean Foods Inc.	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Percentage ownership interest	**50%**	**50%**	**50%**	**50%**
Non-current assets	297,076	319,258	-	88,229
Current assets (including cash and cash equivalents – 2014: $50,768,000, 2013: $3,884,000)	409,031	432,706	-	93,344
Non-current liabilities (including non-current financial liabilities, excluding trade and other payables 2014:$263,082,000, 2013:$ 277,283,000)	(263,082)	(294,783)	-	(241,856)
Current liabilities (including current financial liabilities excluding trade and other payables 2014: $247,208,000, 2013: $230,257,000).	(384,307)	(315,107)	-	(72,933)
Net assets (100%)	58,718	142,074	-	(133,216)
Group's share of nets assets/(liabilities)	29,359	71,037	-	(66,608)
Fair value adjustments and elimination of differences in accounting policies and intercompany transactions	171,406	135,959	-	115,607
Carrying amount of interest in joint ventures	200,765	206,996	-	48,999

10. Interest in associated companies and joint ventures (cont'd)

	Mavis Bank Coffee Factory Limited		Antillean Foods Inc.	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Revenue	816,539	803,110	-	445,701
Depreciation and amortisation	(27,425)	(17,594)	-	5,668
Interest expense	(58,438)	(57,341)	-	-
Income tax charge	-	(5,494)	-	-
(Loss)/profit and total comprehensive (expense)/income (100%)	(83,461)	9,068	-	(15,708)
Group's share of (loss)/profit and total comprehensive (expense)/income	(41,730)	4,534	-	(7,854)

(d) The following table summarises the financial information of Kingston Wharves Limited as included in its financial statements, showing fair value adjustments on acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the group's interest in this material associate.

	2014 $'000	2013 $'000
Percentage ownership interest	**42.00%**	**30.19%**
Non-current assets	17,531,682	12,815,706
Current assets	3,695,354	3,900,958
Non-current liabilities	(3,358,500)	(2,978,154)
Current liabilities	(1,117,259)	(989,583)
Non-controlling interest	(66,124)	(59,534)
Net assets attributable to equity holders of the parent (100%)	16,685,153	12,689,393
Group's share of nets assets 42% (2013:30.19%)	7,007,764	3,830,928
Fair value adjustments on acquisition and elimination of differences in accounting policies	(3,127,570)	(1,330,043)
Carrying amount of interest in Kingston Wharves Limited	3,880,194	2,500,885
Revenue	3,819,691	4,232,408
Net profit from continuing operations	840,452	846,974
Other comprehensive income/(expense), net of tax	3,447,939	(28,586)
Total comprehensive income	4,288,391	818,388
Group's share of total comprehensive income	324,139	271,534

10. Interest in associated companies and joint ventures (cont'd)

(e) The following table analyses, in aggregate, the carrying amounts and share of profits and other comprehensive income of all associates.

	2014 $'000	2013 $'000
Carrying amount of interest in associates	4,045,996	2,629,940
Share of:		
Profit from continuing operations	364,881	278,949
Other comprehensive income	(42,536)	(4,964)
Total comprehensive income	322,345	273,985

11. Non- controlling interest

The following table summarises the information relating to each of the group's subsidiaries that has material non-controlling interest (NCI), before any intra-group eliminations.

	2014				2013			
	Tortuga International Holdings Limited	Four Rivers Mining Co. Limited	Other - immaterial NCI	Total	Tortuga International Holdings Limited	Four Rivers Mining Co. Limited	Other- immaterial NCI	Total
NCI percentage	**38%**	**49%**			**38%**	**49%**		
	$'000	$'000			$'000	$'000		
Non-current asset	919,935	328,458			867,276	320,388		
Current assets	247,284	98,785			256,686	81,607		
Non-current liabilities	(60,165)	(195,838)			(89,950)	(181,846)		
Current liabilities	(157,921)	(316,917)			(151,820)	(228,524)		
Net assets/(liabilities)	**949,133**	**(85,512)**			**882,192**	**(8,375)**		
Carrying amount of NCI	361,843	(40,289)	490	322,044	335,298	(2,492)	490	333,296
Revenue	795,757	385,772	-		769,134	362,329	-	
(Loss)/profit	(4,214)	(77,137)	-		13,872	25,369	-	
Other comprehensive income/(expense)	73,017	-	-		101,235	-	-	
Total comprehensive income/(expense)	68,803	(77,137)	-		115,107	25,369	-	
(Loss)/profit allocated to NCI	(1,597)	(37,797)	-	(39,394)	5,256	12,431	-	17,687
Other comprehensive income allocated to NCI	28,142	-	-	28,142	56,522	-	-	56,522
Cash flows from operating activities	(5,640)	36,285			18,838	17,583		
Cash flows from investment activities	(869)	(57,708)			(5,741)	(165,478)		
Cash flows from financing activities (dividends to NCI: nil)	(7,237)	21,601			10,679	124,715		
Net (decrease)/increase in cash and cash equivalents	**(13,746)**	**178**			**23,776**	**(23,180)**		

12. Investments

	2014 $'000	2013 $'000
Available-for-sale securities:		
Quoted	181,071	355,578
Loans and receivables:		
Long-term loan (net of impairment)	177,024	184,928
	358,095	540,506

Long-term loan represents an amount of US$1.7 million repayable on an amortised basis with equal monthly payments over fifteen years, including a one-year moratorium from repayment of principal in the first year. The loan which earns interest at 3% per annum is secured by a first mortgage over property and liens over plant, equipment, inventories and any other assets owned by the borrower. In addition, a first lien is held over the shares held by the borrower in former subsidiaries that own the aforementioned assets pledged as security.

During the year, following indicators of uncertainty in recoverability, and a review of the underlying value of the security and the costs of liquidation, an impairment allowance of US$168,000 was recognised against this loan.

13. Acquisition of subsidiary

On September 26, 2014, the group acquired an additional 50% shareholding in Antillean Foods Inc, ("AFI"), formerly a joint venture [(see note 10(a)(ii)] of the group, for consideration of US$1. AFI is now a wholly-owned subsidiary of the group.

AFI operates a snack manufacturing and distribution facility in the Dominican Republic. The acquisition is expected to improve the resilience of the group's JP Tropical Foods business segment and the stability and diversity of its earnings.

AFI contributed post-acquisition revenues of $43,414,000 and attributable post-acquisition profit of $1,996,000 to the group's results in 2014. The following summarises the fair value of the identifiable assets and liabilities recognised by the group at the date of acquisition.

	2014 $'000
Net identifiable assets and liabilities	
Land and buildings (50%)	41,784
Fair value adjustment to building	22,826
Other net current assets (50%)	9,697
Liabilities: loan to former partner	(44,296)
Net assets acquired	30,011
Cash consideration on acquisition (US$1)	-
Gain on purchase	30,011

14. Intangible assets

	Brands and trademarks $'000	Customer relationships $'000	Other identifiable intangibles $'000	Goodwill $'000	Total $'000
At cost:					
December 31, 2012	362,782	132,114	32,805	689,937	1,217,638
Reclassifications	(50,228)	50,006	(9,634)	9,856	-
Exchange adjustments	50,508	22,339	4,273	112,449	189,569
December 31, 2013	363,062	204,459	27,444	812,242	1,407,207
Exchange adjustments	28,858	16,251	2,182	12,097	59,388
December 31, 2014	391,920	220,710	29,626	824,339	1,466,595
Amortisation and impairment:					
December 31, 2012	14,744	8,808	5,468	134,643	163,663
Charge for the year	12,664	16,220	960	-	29,844
Exchange adjustments	2,903	2,234	861	19,823	25,821
December 31, 2013	30,311	27,262	7,289	154,466	219,328
Charge for the year	16,248	14,269	5,011	-	35,528
Exchange adjustments	2,916	2,612	735	12,278	18,541
December 31, 2014	49,475	44,143	13,035	166,744	273,397
Net book values:					
December 31, 2014	342,445	176,567	16,591	657,595	1,193,198
December 31, 2013	332,751	177,197	20,155	657,776	1,187,879
December 31, 2012	348,038	123,306	27,337	555,294	1,053,975

14. Intangible assets (cont'd)

(a) Goodwill comprises the following significant carrying amounts:

Group of cash-generating units (CGUs)	2014 Discount rate	2014 Growth rate	2014 $'000	2013 Discount rate	2013 Growth rate	2013 $'000
Juice manufacturing business	10%	3%	322,993	10%	3%	340,727
Other food manufacturing business	15%	4%	166,776	15%	4%	154,496
Logistics business	10%	3%	128,884	10%	3%	123,611
Other units	15%	3%	38,942	15%	3%	38,942
			657,595			657,776

In testing goodwill for impairment, recoverable amounts of cash-generating units are estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment provision is made. The recoverable amounts of cash-generating units are arrived at by estimating their future cashflows and discounting those cashflows using long-term discount rates applicable to the countries in which the businesses operate. Future sustainable cashflows are estimated based on the most recent forecasts, after taking account of past experience. In all cases projected cashflows are taken over 5 years and the long-term growth rate above is applied following the immediately following year, followed by a terminal valued calculated based on the discount rate and growth rate applied. Each unit is regarded as saleable to a third party at any future date at a price sufficient to recover its carrying amount of goodwill.

15. Deferred tax asset/(liability)

The deferred tax asset/(liability) is attributable to the following:

	Deferred tax Asset 2014 $'000	Asset 2013 $'000	Liability 2014 $'000	Liability 2013 $'000	Net 2014 $'000	Net 2013 $'000
Property, plant and equipment	1,520	4,648	-	-	1,520	4,648
Other liabilities	922	4,010	-	-	922	4,010
Other assets	-	-	(216)	(6,166)	(216)	(6,166)
	2,442	8,658	(216)	(6,166)	2,226	2,492

15. Deferred tax asset/(liability) (cont'd)

Movement on net deferred tax asset during the year:

	2014 $'000	2013 $'000
Net deferred tax asset at beginning of year	2,492	1,472
Recognised in taxation charge [note 23(a)(ii)]	(322)	933
Retranslation gain in the year	56	87
	2,226	2,492

16. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
At cost:					
December 31, 2012	736,219	314,405	1,608,914	62,632	2,722,170
Additions	6,614	15,774	246,065	9,049	277,502
Disposals	-	(7,324)	(22,006)	(472)	(29,802)
Exchange adjustments	134,609	2,746	176,102	13,165	326,622
December 31, 2013	877,442	325,601	2,009,075	84,374	3,296,492
Additions	168,904	14,729	156,991	2,281	342,905
Disposals	-	-	(47,576)	-	(47,576)
Addition through acquisition of subsidiaries	109,712	-	3,231	-	112,943
Exchange adjustments	(49,373)	1,725	(36,607)	(4,500)	(88,755)
December 31, 2014	1,106,685	342,055	2,085,114	82,155	3,616,009
Depreciation and impairment:					
December 31, 2012	136,362	189,032	724,843	53,636	1,103,873
Charge for the year	37,480	14,417	157,066	5,319	214,282
Eliminated on disposals	-	(4,376)	(19,215)	-	(23,591)
Exchange adjustments	27,471	965	57,639	11,210	97,285
December 31, 2013	201,313	200,038	920,333	70,165	1,391,849
Charge for the year	45,834	18,841	199,430	2,012	266,117
Eliminated on disposals	-	-	(47,401)	-	(47,401)
Exchange adjustments	(12,220)	934	(20,275)	(3,775)	(35,336)
December 31, 2014	234,927	219,813	1,052,087	68,402	1,575,229
Net book values:					
December 31, 2014	871,758	122,242	1,033,027	13,753	2,040,780
December 31, 2013	676,129	125,563	1,088,742	14,209	1,904,643
December 31, 2012	599,857	125,373	884,071	8,996	1,618,297

16. Property, plant and equipment (cont'd)

Freehold land and buildings include land as follows:

	2014 $'000	2013 $'000
At cost	208,978	168,614
Directors' allocation of cost	4,857	4,857
Total land	213,835	173,471

The company has given an undertaking to one of its bankers not to encumber real estate held at 4 Belmont Road, Kingston 5 while the company has credit arrangements.

17. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value.

Stated capital:	2014 $'000	2013 $'000
Issued and fully paid - 187,024,006 ordinary stock units at no par value	18,702	18,702

The company's stated capital does not include share premium, which is retained in capital reserves (note 18) in accordance with Section 39 (7) of the Jamaican Companies Act.

18. Reserves

	2014 $'000	2013 $'000
Capital:		
Share premium (note 17)	135,087	135,087
Fair value reserve	135,699	257,585
Reserve for own shares [see (i) below]	(172,199)	(173,465)
Other [see (ii) below]	2,391,553	2,386,731
	2,490,140	2,605,938
Revenue:		
Retained profits	3,354,851	3,073,167
	5,844,991	5,679,105

(i) Reserve for own shares is included in these financial statements by consolidation of the company's Employees Share Ownership Plan (ESOP) as it is regarded as a structured entity and is required to be consolidated under IAS 27. The reserve comprises the cost of the company's shares held by the group through the ESOP, less net gains on shares sold.

The consolidated financial statements include the group's share of profits or loss of the ESOP based on management accounts for the year ended December 31, 2014. The results of operation of this entity are immaterial in relation to the group.

18. Reserves (cont'd)

(i) (Continued)

The number of stock units held by the ESOP at December 31, 2014 was 16,287,919 (2013: 16,721,860). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2014 was $244,975,000 (2013: $270,058,000). The value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2014, unrealised exchange gains and unclaimed distributions to stockholders (note 26).

(iii) Losses in a subsidiary, in excess of the minority's interest in the equity of the subsidiary, have been included in the group's results prior to 2010. If the subsidiary subsequently reports profits, such profits are included in the group results, until the minority's share of losses, previously absorbed by the group, has been recovered.

19. Long-term loans

	2014 $'000	2013 $'000
Syndicated third party and bank loans	2,025,130	1,102,973
Other third party	87, 197	87,197
	2,122,327	1,190,170
Less: Upfront borrowing costs:		
Incurred during the year	(37,108)	-
Amortised in interest expense for the year	7,795	-
	(29,313)	-
Total carrying value of long-term loans	2,093,014	1,190,170
Less: current portion	(106,155)	(72, 810)
	1,986,859	1,117,360

The terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	Face value 2014 $'000	Carrying value 2014 $'000	Face value 2013 $'000	Carrying value 2013 $'000
Secured syndicated third party loan	JMD	8.9%	2020	846,428	846,428	945,250	945,250
Secured syndicated third party loan	JMD	10.5%	2019	984,183	984,183	-	-
Secured bank loan	BBD	5.5%	2018	22,248	22,248	25,209	25,209
Secured bank loan	JMD	9.5%	2016	3,974	3,974	5,661	5,661
Secured bank loan	JMD	12.5%	2017	26,779	26,779	-	-
Secured bank loan	Euro	2.5%	2016	105,087	105,087	126,853	126,853
Other third party	USD	8.0%	2016	17,118	17,118	-	-
Other related party	JMD	5.0%	2015	87,197	87,197	87,197	87,197
				2,093,014	2,093,014	1,190,170	1,190,170

19. Long-term loans (cont'd)

In November 2014 the group renegotiated the terms of a $1,000,000,000 loan note issued originally in 2012, with a current balance of $850,982,000. The loan remains secured by a portion of the investment in an associated company, and is repayable by annual instalments of $50,000,000 in 2015, 2016, 2018 and 2019, $400,000,000 in 2017 and a final payment of $300,000,000 in 2020. The interest rate on the loan is fixed at 8.9% for the first year then increases to 9.5% for year two and three, and moves to WATBY +2.5%, capped at 14%, for the remainder of the life.

In September 2014 the group issued loan notes of $1,000,000,000 secured by a portion of the investment in an associated company and repayable by annual instalments of $50,000,000 in the first four years, starting September 30, 2015, and a final payment of $800,000,000 in 2019. The interest rate on the loan is WATBY +2.5% (currently 10.5%), capped at 12% for the first two years and then capped at 14% for the remaining life.

During 2013 one of the group's subsidiaries entered into a loan for J$5,800,000. It is secured against a specific piece of plant and equipment and repayable in 36 equal instalments over 3 years at a fixed interest rate of 9.5%. During 2014 the same subsidiary entered into an additional loan for J$30,800,000. It is secured against specific pieces of plant and equipment and repayable in 36 monthly instalments at a fixed interest rate of 12.5%.

The loan from other related party of $87.2 million is due to a company that holds 35% of the equity in one of the group's subsidiaries. The loans arose from the assignment to the group by that company of assets held under a finance lease agreement with Bank of Nova Scotia Jamaica Limited. At the reporting date, the assets taken over from October 4, 2010 were being used by the group. The loan is due and payable, together with interest, on or before January 1, 2018.

20. Gross operating revenue

Gross operating revenue comprises investment income, the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates and discounts, consumption taxes and eliminating sales within the group.

21. Financial income and expenses

	2014 $'000	2013 $'000
Financial income:		
Interest income on available-for-sale financial assets	1,378	1,575
Interest income on bank deposits, loans and receivables	17,655	32,440
Dividend income on available-for-sale financial assets	12,176	15,598
Net gain on available-for-sale financial assets transferred from equity	161,646	15,757
Net foreign exchange gain	5,591	15,921
	198,446	81,291
Financial expenses:		
Interest expense on financial liabilities measured at amortised cost	(128,085)	(99,392)
Net financial income/(expenses)	70,361	(18,101)

22. Pension arrangements

The group operates two defined contribution schemes for all qualifying employees in Jamaica and another in the UK.

A number of employees in the group's subsidiary in the Netherlands are members of an industry-wide multi-employer defined benefit scheme. This subsidiary is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. This percentage may increase or decrease as a result of changes in actuarial valuations. The only obligation of the group with respect to this scheme is to make the specified contribution.

Accordingly, it is treated as a defined contribution scheme for the purpose of the group's accounting. The most recent actuarial valuation of this scheme was performed at December 31, 2014 at which time the fund had a coverage of 117.9% and a surplus of 4.1% (2013 – deficit of 5.2%) relative to the required coverage of 113.8%. The next full actuarial valuation is due as at December 31, 2015.

The group also operates a defined benefit scheme for certain employees of the group's subsidiary in the Netherlands. The group has contracted out all legal and constructive commitments of this scheme to an insurance company and is only obliged to make annual specified contributions. Accordingly, this scheme is treated as a defined contribution scheme for the purpose of the group's accounting.

Contributions under the defined-contribution pension schemes during the year amounted to $129,499,000 (2013: $112,468,000).

23. Taxation

(a) The taxation charge is based on the group's results for the year, as adjusted for tax purposes, and comprises:

	2014 $'000	2013 $'000
(i) Current tax charge:		
United Kingdom corporation tax at 25%	9,655	6,535
Netherlands corporation tax at 25.5%	51,214	39,022
Other corporation tax	3,818	-
Tax on associated companies	21,070	116,438
	87,757	161,995
(ii) Deferred taxation (note 15):		
Origination and reversal of temporary differences	322	(933)
Total taxation charge in group profit and loss account	86,079	161,062

23. Taxation (cont'd)

(b) The effective tax rate for 2014 was 21.3% (2013: 37.4%) of a pre-tax result of $404,905,000 (2013: pre-tax result of $431,022,000), compared to the statutory tax rate of 25% (2013: 25%). The actual charge differs from the "expected" tax charge for the year as follows:

	2014 $'000	2013 $'000
Profit before taxation	404,905	431,022
Computed "expected" tax charge at 25% (2013: 25%)	101,226	107,755
Taxation difference between profit for financial statements and tax reporting purposes on:		
Overseas taxation	(12,647)	(12,101)
Unrelieved tax losses less tax relief utilised	3,653	36,631
(Lower)/Higher rate associated company tax	(82,860)	14,711
Gain on disposal of property, plant and equipment and investments	(39,620)	(29,417)
Other related capital adjustments	116,327	43,483
Actual tax charge	86,079	161,062

(c) As at December 31, 2014, the group has taxation losses, subject to agreement by the Commissioner General Tax Administration Jamaica of approximately $1,929,000,000 (2013: $1,535,765,000) available for relief against future taxable profits. Of this amount, $577,525,000 (2013: $577,526,000) is available for offset against specific income such as farming profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year. A deferred tax asset of $482,366,000 (2013: $381,449,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be too uncertain.

24. Disclosure of expenses

Profit for the year is stated after charging:

	2014 $'000	2013 $'000
Directors' emoluments:		
Fees	10,460	9,993
For management	64,611	57,957
Auditors' remuneration	36,230	32,547
Depreciation and impairment losses	266,117	214,282
Staff costs	1,781,584	1,506,371

25. Profit per ordinary stock unit

The profit per ordinary stock unit is calculated by dividing the profit for the year of $358,220,000 (2013: $252,273,000), attributable to the company's stockholders, by a weighted average number of ordinary stock units held during the year, excluding those held by the ESOP.

Weighted average number of ordinary stock units:

	2014	2013
Issued ordinary stock units at January 1	187,024,006	187,024,006
Effect of own shares held by ESOP during the year	(16,474,573)	(16,841,151)
Weighted average number of ordinary stock units held during the year	170,549,433	170,182,855
Profit per ordinary stock unit in issue	191.54¢	134.89¢
Profit per ordinary stock unit excluding ESOP holdings	210.04¢	148.24¢

26. Distributions to stockholders

	2014 $'000	2013 $'000
Ordinary dividends:		
First interim payable in respect of 2014 - 20¢ (2013: 20¢) per stock unit - gross	37,405	37,405
Distributions to ESOP [note 18(i)]	(3,404)	(3,404)
	34,001	34,001
Unclaimed distributions written back to capital reserves [note 18(ii)]	(7,137)	(17,894)
	26,864	16,107

27. Contingent liabilities

A subsidiary has guaranteed the US$500,000 debt of another subsidiary in favour of the National Export Import Bank of Jamaica Limited. The company has also given a commitment to one of its subsidiaries, to provide financial support as is necessary for its operations throughout 2015. That subsidiary has a net shareholders' deficit at December 31, 2014 of $562.3 million (2013: $417.4 million).

28. Operating lease arrangements

(a) Non-cancellable operating lease commitments

Annual commitments under non-cancellable operating leases expire as follows:

	2014 $'000	2013 $'000
Within one year	56,218	52,047
In the second to fifth years inclusive	82,911	31,375
	139,129	83,422

28. Operating lease arrangements (cont'd)

(b) Non-cancellable operating lease receivables

Operating leases relate to the property owned by the group with lease terms of between 3 to 5 years, with options to extend for a further 1 to 5 years. The group does not have the option to purchase the property at the expiry of the lease period.

The group earned property rental income of $34,280,000 (2013: $29,260,000) under operating leases. Direct operating expenses arising on the property in the period amounted to $8,186,000 (2013: $6,246,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2014 $'000	2013 $'000
Within one year	15,998	25,901
In the second to fifth year inclusive	11,144	25,290
	27,142	51,191

29. Commitments for expenditure

As at December 31, 2014, capital expenditure authorised but not committed amounted to approximately $389,137,000 (2013: $308,169,000). Capital expenditure authorised and committed amounted to approximately $23,779,000 (2013: $6,641,000).

30. Related parties

(a) Identity of related parties:

The group has related party relationships with its directors, officers and senior executives of subsidiaries. The company's executive directors, officers and the senior executives of subsidiaries are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 28.1% (2013: 28.1%) of the voting shares of the company. Receivables from directors which are current at December 31, 2014 amounted to $nil (2013: $108,806) and are included in "accounts receivable" (note 6). No interest is payable by directors on these balances. In addition to their salaries, the group contributes to various post-employment benefit plans on behalf of key management personnel.

The compensation of key management personnel based in Jamaica and overseas is as follows:

	2014 $'000	2013 $'000
Short-term employment and other benefits	283,394	252,761
Post-employment benefits	28,875	25,191
Termination benefits	1,592	3,112
Total remuneration	313,861	281,064

30. Related parties (cont'd)

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Category and nature of relationship	Nature of Transactions	Transactions in year 2014 $'000	Transactions in year 2013 $'000	(Payable)/receivable at end of year 2014 $'000	(Payable)/receivable at end of year 2013 $'000	Terms and conditions *	Provision end of year 2014 $'000	Provision end of year 2013 $'000	(Expense)/recovery during the year 2014 $'000	(Expense)/recovery during the year 2013 $'000
Transactions with joint ventures and associates:										
50% joint venture	Purchases by group	167,701	299,318	-	(18,440)	1, 4, 7	-	-	-	-
50% joint venture	Management services income to group	(27,688)	(28,112)	26,315	20,000	1, 4, 7	-	-	-	-
50% joint venture	Interest income on loans from group	(23,419)	(23,419)	23,419	-	4, 7	-	-	-	-
Transactions with key management personnel or entities under their control and/or significant influence:										
i) Company under their control	Insurance premiums charged to group	14,905	19,008	-	-	1, 4, 7	N/A	N/A	N/A	N/A
ii) Company under their control	Management services charged to group	8,300	7,916	4,132	(7,929)	4, 7, 9	N/A	N/A	N/A	N/A
iii) Company under their control	Shipping agency services charged to group	6,866	6,390	-	-	1, 4, 7	N/A	N/A	N/A	N/A
iv) Company under their control	Charges paid on behalf of the group	(3,231)	-	-	-	1, 4, 7	N/A	N/A	N/A	N/A
v) Company under their control	Collections from third parties on behalf of the group	(37,354)	(40,826)	19,379	18,012	1, 4, 7	N/A	N/A	N/A	N/A
vi) Company under their control	Professional services to the group	2,643	-	(700)	-	1,4,7	N/A	N/A	N/A	N/A

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Interest free
3. Secured
4. Unsecured
5. Guaranteed by related party
6. Guaranteed by entity
7. Settlement in cash
8. Settlement in kind
9. Credit over 30 days

31. Segment reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The group is organised into three business segments. These are:

(a) JP Europe Division – This comprises businesses that are centred in Europe and include the production and marketing of natural food and drink, and the logistics business.

(b) JP Tropical Division – This comprises businesses that are centred in the Caribbean and Central America, and include the production and marketing of natural food and drink as well as management of land holdings.

(c) Corporate – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

Segment information below represents the total for the group and the segment profit/(loss) refers to the total profit before taxation.

	JP Europe		JP Tropical		Corporate		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Gross revenue	6,106,354	5,469,370	2,600,463	2,188,543	256,491	211,266	8,963,308	7,869,179
Inter-segment revenue	-	-	-	-	(146,279)	(115,316)	(146,279)	(115,316)
Revenue from external customers	6,106,354	5,469,370	2,600,463	2,188,543	110,212	95,950	8,817,029	7,753,863
Interest income	-	-	-	798	19,033	33,217	19,033	34,015
Interest expense	(5,696)	(2,290)	(11,119)	(6,777)	(111,270)	(90,325)	(128,085)	(99,392)
Segment profit/(loss)	334,410	183,863	(107,816)	(17,398)	178,312	264,557	404,905	431,022
Taxation charge							(86,079)	(161,062)
Non-controlling interest							39,394	(17,687)
Profit attributable to equity holders of the parent							358,220	252,273
Segment assets	2,859,654	2,838,442	2,517,454	2,331,969	4,566,338	3,382,739	9,943,446	8,553,150
Segment liabilities	1,132,053	911,338	649,696	527,652	1,975,960	1,083,057	3,757,709	2,522,047
Capital expenditure	212,649	63,113	105,733	193,400	24,523	20,989	342,905	277,502
Depreciation and amortisation	144,282	124,315	170,303	134,299	11,202	8,971	325,787	267,585

31. Segment reporting (cont'd)

Segment information below represents segment revenue based on the country receiving the benefit of our products/services and segment assets based on the country in which the owner is registered.

	Revenues		Non-current assets	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Jamaica	2,052,788	1,682,454	4,992,068	3,945,054
Netherlands	4,731,149	4,314,681	1,550,200	1,567,126
United Kingdom	342,254	273,378	136,535	132,426
United States of America	574,929	545,063	3,546	3,451
Other Caribbean countries	625,588	546,525	1,293,484	1,001,556
Other European countries	477,118	373,399	-	-
Other countries	13,203	18,363	-	-
	8,817,029	7,753,863	7,975,833	6,649,613

Revenues from one customer of the JP Europe segment represents approximately $4,107 million (2013: $3,813 million) of the group's total revenues.

32. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of an enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts, credit facilities and short-term loans, accounts payable and long-term loans.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable, bank overdrafts and short-term loans and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of quoted investments is their market value and is disclosed at note 12. This method falls within level 1 of the fair value hierarchy, defined as quoted prices (unadjusted) in an active market for identical assets. The fair value of other investments, are assumed to be cost, less allowance for impairment.

The fair value for long-term loans is assumed to approximate carrying value, as no discount on settlement is anticipated.

32. Financial instruments (cont'd)

(b) Financial instrument risks:

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the group's exposure to each of the above risks and the group's objectives, policies and processes for measuring and managing risk is detailed below.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. Management's standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, other investments, securities purchased under resale agreements and account receivable.

The maximum exposure to credit risk at the reporting date is equal to the carrying value.

The group manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The group maintains cash resources with reputable financial institutions. The credit risk is considered to be low. No allowance for impairment is deemed necessary.

- Securities purchased under resale agreements

  The group holds collateral for securities purchased under resale agreements. Assigned collateral, with a fair value of $159,932,000 (2013: $41,228,000) for the group, was held for securities purchased under resale agreements [note 3(e)].

  No allowance for impairment is deemed necessary.

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(i) Credit risk (cont'd)

The group manages this risk as follows (cont'd):

- Accounts receivable

  The group has a credit policy in place to minimise exposure to credit risk inherent in trade accounts receivable. Credit evaluations are performed on all customers requiring credit. Credit terms are negotiated based on a mix of terms acceptable to both parties. The group provides credit up to 60 days, dependent on other pricing arrangements that may be beneficial to the relationship. A continuing relationship with customers is dependent upon adherence to the credit terms.

  The group has a policy in place to provide for impairment on all debts more than ninety (90) days past due, except for specific balances that circumstances provide evidence that recovery is not in doubt.

  Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors, including Jamaican GCT, the Netherlands and U.K. VAT. These guidelines include the provision of collateral as security for credit extended.

  Impairment allowances are made on the basis of reviews of specific balances that are inconsistent with staff guidelines or the terms relating to other receivables.

- Non-current investments

  The loan to the purchaser of former subsidiaries, net of its impairment provision, is considered to be adequately secured.

  No further allowance for impairment is deemed necessary.

There were no changes in the group's approach to managing credit risk during the year.

(ii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets.

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(ii) Market risk (cont'd)

The group manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the group's approach to managing market risk during the year.

Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the Euro (€), United States dollar (US$) and Pound Sterling (£).

The group manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the group's approach to managing foreign currency risk during the year.

The net foreign currency assets/(liabilities) at year-end were as follows:

	2014			2013		
	US$'000	£'000	€'000	US$'000	£'000	€'000
Financial assets						
Cash and cash equivalents	421	531	1,252	624	645	1,433
Short term investments	-	-	2	582	-	-
Securities purchased under resale agreements	1,303	-	-	245	-	-
Accounts receivable	2,067	730	3,916	1,514	470	3,207
Investments	2,250	-	-	2,149	-	-
Total financial assets carried forward	6,041	1,261	5,170	5,114	1,115	4,640

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(ii) Market risk (cont'd)

Currency risk (cont'd)

The net foreign currency assets/(liabilities) at year-end (cont'd):

	2014			2013		
	US$'000	£'000	€'000	US$'000	£'000	€'000
Total financial assets brought forward	6,041	1,261	5,170	5,114	1,115	4,640
Financial liabilities						
Short term borrowing	(500)	-	-	(507)	-	-
Accounts payable	(1,759)	(936)	(6,343)	(1,436)	(881)	(4,646)
Current maturities of long term loans	(121)	-	(110)	-	-	(110)
Long-term loans	(224)	-	(651)	-	-	(871)
Financial instruments position	3,437	325	(1,934)	3,171	234	(987)
Other assets	10,807	293	13,304	10,626	318	12,998
Other liabilities	(18)	(40)	(245)	-	(42)	-
Gross balance sheet position	14,226	578	11,125	13,797	510	12,011

Other assets/liabilities represent balances denominated in the respective foreign currencies that are expected to be realised or settled in those currencies.

Foreign currency sensitivity analysis

The following tables detail the group's sensitivity to a 10% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains/(losses) based on net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant and is performed on the same basis as the previous year.

10% Depreciation of J$ - resultant exchange gain:

	2014		2013	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
US$	141,614	20,722	138,686	6,997
£	10,091	70	8,594	260
€	153,746	-	175,659	-

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(ii) Market risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

2% Appreciation of J$ - resultant exchange loss:

	2014		2013	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
US$	(28,323)	(4,144)	(27,737)	(1,399)
£	(2,018)	(14)	(1,719)	(52)
€	(30,749)	-	(35,132)	-

Buying exchange rates used at year-end:

	2014	2013
US$1 to J$	114.12	105.72
£1 to J$	175.97	173.56
€1 to J$	138.09	145.67

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 contracts material financial liabilities at fixed interest rates for the duration of the term. Credit facilities are subject to interest rates which may be varied with appropriate notice by the lender.

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

	2014 $'000	2013 $'000
Fixed rate instruments:		
Financial assets	345,243	312,406
Financial liabilities	(2,005,630)	(1,091,699
	(1,660,387)	(779,293)
Variable rate instruments:		
Financial liabilities	(127,335)	(152,062)

There were no changes in the group's approach to managing interest rate risk during the year.

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(ii) Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

An increase of 250 basis points (bps) or a decrease of 100 basis points (bps) in interest rates at the reporting date would have (decreased)/increased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for the previous year.

	2014		2013	
	250 bps increase	100 bps decrease	250 bps increase	250 bps decrease
	$'000	$'000	$'000	$'000
Variable rate instruments	(2,547)	1,273	(3,041)	1,521

Other market price risk

The group is exposed to equity price risk arising from available for sale quoted equity investments. Equity investments are held for strategic purposes and capital gains.

All of the group's quoted equity investments locally are listed on the Jamaica Stock Exchange. A ten percent decline in the listed bid prices at the reporting date would have decreased equity by $18,107,000 (2013: $35,558,000) and profit by $Nil (2013: $Nil). The impact on profit for the year would result from investments which were impaired at the reporting date, as there were no investments designated as fair value through profit or loss.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The management of the group aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

32. Financial instruments (cont'd)

(b) Financial instrument risks (cont'd):

(iii) Liquidity risk (cont'd)

There were no changes in the group's approach to liquidity risk management during the year.

The tables below show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted average interest rate	Carrying amount	Contractual cash flows	0-1 year	1-5 years
	%	$'000	$'000	$'000	$'000
			2014		
Secured syndicated loan	9.76	1,830,611	2,645,376	250,102	2,395,274
Secured bank loans	4.89	158,088	196,725	40,592	156,133
Credit facilities	8.75	57,069	57,069	57,069	-
Other third party loan	8.00	17,118	19,227	9,244	9,983
Other related party loan	5.00	87,197	100,277	4,360	95,917
Account payables		1,564,747	1,564,747	1,567,747	-
		3,714,830	4,583,421	1,926,114	2,657,307
			2013		
Secured syndicated loan	8.90	945,250	1,229,335	132,319	1,097,016
Secured bank loans	3.35	157,723	180,343	27,492	152,851
Credit facilities	8.70	53,591	53,591	53,591	-
Other related party loan	5.00	87,197	108,996	4,360	104,636
Account payables		1,213,981	1,231,981	1,231,981	-
		2,457,742	2,804,246	1,449,743	1,354,503

(iv) Capital management

There were no changes in the group's approach to capital management during the year. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines as total stockholders' equity, excluding non-controlling interest. The level of dividends to ordinary stockholders is also monitored in accordance with the group's stated dividend policy.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Neither the company nor any of its subsidiaries is subject to externally imposed capital requirements.

33. Subsidiary, associated and joint venture companies

The company has the following subsidiary, associated and joint venture companies.

	% equity held		Principal place
	2014	2013	of business
SUBSIDIARY COMPANIES*			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	"
Agri Services Limited	100	100	"
Eastern Banana Estates Limited	100	100	"
St. Mary Banana Estates Limited	100	100	"
P.S.C. Limited	100	100	"
Jamaica Producers Shipping Company Limited	60	60	"
JP Tropical Foods Limited	100	100	"
JBFS Investments Limited	100	100	"
Crescent Developments Limited	100	100	"
Central American Banana (2005) Limited	100	100	Cayman Islands
Antillean Foods, Inc.	100	-	Cayman Islands
JP Shipping Services Limited	100	100	England and Wales
Four Rivers Mining Company Limited	51	51	Jamaica
JP International Group Limited	100	100	Cayman Islands
Cooperatief JP Foods U.A.	100	100	The Netherlands
A.L. Hoogesteger Fresh Specialist B.V.	100	100	"
Tortuga International Holdings Company Limited	62	62	St. Lucia
Bakers Choice Inc.	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A.
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga International Limited	100	100	Cayman Islands
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
JP Tropical Snacks Limited	100	100	Cayman Islands
JOINT VENTURE COMPANIES			
Antillean Foods, Inc.	-	50	Cayman Islands
Mavis Bank Coffee Factory Limited	50	50	Jamaica
ASSOCIATED COMPANIES			
Kingston Wharves Limited	42	30	Jamaica
Tortuga Cayman Limited	40	40	Cayman Islands

* The names of inactive subsidiary companies are omitted.

CORPORATE DATA

Directors
Mr. Charles H. Johnston, CD, BSc (Econ.) - Chairman
Mr. Jeffrey McG. Hall, BA, MPP, JD - Group Managing Director
The Hon. Oliver F. Clarke, OJ, JP, BSc (Econ.), FCA, LLD (Hon.)
Mrs. Patricia R. Francis, BSc
The Hon. Emil C. George, OJ, QC, BCL, MA (Oxon.)
Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD
Mrs. Dahlia E. Kelly, BSc
Mr. John O. Minott, CD, BCom, JP
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Donovan H. Perkins, BA (Hons.), MBA
Prof. Alvin G. Wint, BSc, MBA, DBA

Company Secretary
Mr. Paul St. E. Samuels, FCA, FCCA, MSc MIS

Registered Office
Producers House
6A Oxford Road
Kingston 5
Jamaica, W.I.
Tel: (876) 926-3503
Fax: (876) 929-3636
Email: headoffice@jpjamaica.com
Website: www.jpjamaica.com

Registrar & Transfer Agent
KPMG Regulatory & Compliance Services
6 Duke Street
Kingston, Jamaica, W.I.

Auditors
KPMG – Chartered Accountants
6 Duke Street
Kingston, Jamaica, W.I.

Bankers
The Bank of Nova Scotia Jamaica Limited
Corner Duke & Port Royal Streets
Kingston, Jamaica, W.I.

National Commercial Bank Jamaica Limited
The Atrium
32 Trafalgar Road
Kingston 10, Jamaica, W.I.

Citibank, N.A.
19 Hillcrest Avenue
Kingston 6, Jamaica, W.I.

Main Operating Entities
A.L. Hoogesteger Fresh Specialist B.V.
Domineeslaan 93
1161 BW Zwanenburg
The Netherlands
Tel: (31) 20-4073000
Fax: (31) 20-4073002

Four Rivers Mining Company Limited
Agualta Vale
St. Mary, Jamaica, W.I.
Tel: (876) 996-2356
Fax: (876) 996-2354

JP Shipping Services Limited
Main ABP Building, South Entrance
Alexandra Dock
Newport NP202NP
United Kingdom
Tel: (44) 1633-842062
Fax: (44) 1633-251783

JP Tropical Foods Limited
14 Retirement Road
Kingston 5, Jamaica, W.I.
Tel: (876) 968-8525
Fax: (876) 968-6651

Tortuga International Holdings Limited
1st Floor, Bourbon House, Bourbon Street
P.O. Box 1695
Castries, St. Lucia
Tel: (345) 943-7663
Email: corporateaffairs@tortugaimports.com

- Cayman office
  Tel: (345) 943-7663
  Email: customerservice@tortugaimports.com
- Jamaica office
  Tel: (876) 979-9381
  Fax: (876) 971-0560
  Email: tortuga@cwjamaica.com
- Barbados office
  Tel: (246) 228-2253
- Miami office
  Tel: (305) 378-6668
  Fax: (305) 378-0990

Main Operating Entities (cont'd)

Antillean Foods, Inc.
Carretera Mao-Guayubin, Km. 23
Cana Chapeton, Monte Cristi
Dominican Republic
Tel: (809) 247-2248
Fax: (809) 247-2523

Joint Venture & Associated Companies

Mavis Bank Coffee Factory Limited
Mavis Bank
St. Andrew, Jamaica, W.I.
Tel: (876) 977-8005
Fax: (876) 977-8014

Kingston Wharves Limited
Kingport Building
Third Street
Newport West
Kingston 11, Jamaica, W.I.
Tel: (876) 923-9211
Fax: (876) 923-5361

Tortuga Cayman Limited
P.O. Box 10395
Grand Cayman
Cayman Is KY1-1004, B.W.I.
Tel: (345) 943-7663

Corporate Governance

Policy is available on our website at: www.jpjamaica.com under The Company\Corporate Governance.

Attorneys-at-law

Harrison & Harrison
Suite 1, 16 Hope Road
Kingston 10

Hart, Muirhead, Fatta
53 Knutsford Boulevard
Kingston 5

Patterson, Mair, Hamilton
Temple Court
85 Hope Road
Kingston 6

COMPANY ONLY

TABLE OF CONTENTS

Auditors' Report and Financial Statements

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the separate financial statements of Jamaica Producers Group Limited ("the company") set out on pages 4 to 35, which comprise the unconsolidated balance sheet as at December 31, 2014, the unconsolidated profit and loss account, the unconsolidated statements of profit or loss and other 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 give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Report on the Financial Statements, (continued)

Opinion

In our opinion, the separate financial statements give a true and fair view of the unconsolidated financial position of the company as at December 31, 2014, and of its unconsolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

February 27, 2015

COMPANY BALANCE SHEET

December 31, 2014

	Notes	2014 $'000	2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(b), 4	13,145	30,105
Short-term investments	3(c), 5	-	28,604
Securities purchased under resale agreements	3(d)	148,730	37,394
Accounts receivable	6	11,538	30,839
Taxation recoverable		3,261	23,417
Total current assets		176,674	150,359
CURRENT LIABILITIES			
Accounts payable	7	148,070	124,446
Current portion of long-term loan	14	64,245	50,000
Total current liabilities		212,315	174,446
WORKING CAPITAL DEFICIT		(35,641)	(24,087)
NON-CURRENT ASSETS			
Interests in subsidiary and associated companies	8	6,086,294	4,977,724
Investments	9	190,500	360,328
Property, plant and equipment	11	97,817	83,278
Total non-current assets		6,374,611	5,421,330
Total assets less current liabilities		6,338,970	5,397,243
EQUITY			
Share capital	12	18,702	18,702
Reserves	13	4,549,581	4,478,541
Total equity attributable to stockholders		4,568,283	4,497,243
NON-CURRENT LIABILITIES			
Long-term loans, being total non-current liabilities	14	1,770,687	900,000
Total equity and non-current liabilities		6,338,970	5,397,243

The financial statements on pages 4 to 35, were approved by the Board of Directors on February 27, 2015 and signed on its behalf by:

_____ Chairman
C. H. Johnston

_____ Managing Director
J. Hall

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

COMPANY PROFIT AND LOSS ACCOUNT

Year ended December 31, 2014

	Notes	2014 $'000	2013 $'000
Gross operating revenue:			
Management fees - subsidiaries		100,802	103,440
- other		27,689	28,112
Interest - subsidiaries		42,259	39,578
- other		4,269	3,400
Dividends and capital distributions	15	55,353	93,042
Rent - other		34,816	29,260
Royalties earned		26,434	-
		291,622	296,832
Administration and other operating expenses		(339,733)	(295,545)
(Loss)/profit from operations		(48,111)	1,287
Net gain from fluctuation in exchange rates		125,462	196,127
Gain on disposal of investments and property, plant and equipment		166,078	114,392
Decrease in impairment loss provision on loans and receivables - subsidiaries	8	90,234	-
Sundry income		74	84
Profit before finance cost and taxation		333,737	311,890
Finance cost - interest	15	(111,270)	(90,325)
Profit before taxation		222,467	221,565
Taxation	17	(2,894)	-
Profit for the year	16	219,573	221,565
Earnings per ordinary stock unit	18	117.40¢	118.47¢

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

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPHENSIVE INCOME

Year ended December 31, 2014

	2014 $'000	2013 $'000
Profit for the year	219,573	221,565
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Net change in fair value of available-for-sale investments	43,381	44,295
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	(161,646)	(15,757)
	(118,265)	28,538
Total comprehensive income for the year	101,308	250,103

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

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2014

	Share capital (note 12)	Share premium	Capital reserves	Fair value reserve	Retained profits	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balances at December 31, 2012	18,702	135,087	1,589,125	225,266	2,298,471	4,266,651
Total comprehensive income:						
Profit for the year	-	-	-	-	221,565	221,565
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	44,295	-	44,295
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(15,757)	-	(15,757)
Total other comprehensive income	-	-	-	28,538	-	28,538
Total comprehensive income for the year	-	-	-	28,538	221,565	250,103
Transactions with owners of the company						
Unclaimed distributions to stockholders written back (note 19)	-	-	17,894	-	-	17,894
Distributions to stockholders (note 19)	-	-	-	-	(37,405)	(37,405)
Balances at December 31, 2013	18,702	135,087	1,607,019	253,804	2,482,631	4,497,243
Total comprehensive income:						
Profit for the year	-	-	-	-	219,573	219,573
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	43,381	-	43,381
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(161,646)	-	(161,646)
Total other comprehensive income	-	-	-	(118,265)	-	(118,265)
Total comprehensive income for the year	-	-	-	(118,265)	219,573	101,308
Transactions with owners of the company						
Unclaimed distributions to stockholders written back (note 19)	-	-	7,137	-	-	7,137
Distributions to stockholders (note 19)	-	-	-	-	(37,405)	(37,405)
Balances at December 31, 2014	18,702	135,087	1,614,156	135,539	2,664,799	4,568,283

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

COMPANY STATEMENT OF CASH FLOWS

Year ended December 31, 2014

	Notes	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		219,573	221,565
Adjustments to reconcile profit for the year to net cash used by operating activities:			
Depreciation	11	9,985	7,972
Net unrealised exchange gains		(124,407)	(195,581)
Gain on disposal of property, plant and equipment and investments		(166,078)	(114,392)
Provision for diminution in value of interest in subsidiaries		(90,234)	-
Interest income		(46,528)	(42,978)
Interest expense		111,270	90,325
		(86,419)	(33,089)
Decrease in current assets:			
Accounts receivable		19,487	16,640
Taxation recoverable		20,156	6,629
Increase/(decrease) in current liabilities:			
Accounts payable		(1,381)	2,739
Unclaimed dividends		5,360	8,105
Net cash (used)/provided by operating activities		(42,797)	1,024
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short-term investments		28,604	7,151
Securities purchased under resale agreements		(107,247)	112,612
Additions to property, plant and equipment	11	(24,524)	(13,893)
Net movement in investments		493	250
Interest received		18,994	37,697
Interests in subsidiary and associated companies		(877,096)	(76,955)
Proceeds from disposal of investments and property, plant and equipment		221,159	120,144
Net cash (used)/provided by investment activities		(739,617)	187,006
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to stockholders	19	(37,405)	(37,405)
Interest paid		(84,399)	(91,934)
Long-term loans		884,932	(50,000)
Net cash provided/(used) by financing activities		763,128	(179,339)
Net (decrease)/increase in cash and cash equivalents		(19,286)	8,691
Effect of foreign exchange movement		2,326	-
Cash and cash equivalents at beginning of year		30,105	21,414
Cash and cash equivalents at end of year		13,145	30,105

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

1. The company

Jamaica Producers Group Limited (company) is incorporated and domiciled in Jamaica. The company's registered office is located at 6A Oxford Road, Kingston 5.

Its principal activities are the provision of administration services to its subsidiaries (note 24) and the holding of investments.

The company and its subsidiaries are collectively referred to as the "group".

During the year the company acquired an additional 11.59% share of Kingston Wharves Limited ("KW") and together with previous acquisitions, resulted in the company and holding 42% of the issued shares of KW (note 8).

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) and their interpretations, issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act.

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The company has adopted those which are relevant to its operations, viz:

- Amendments to IAS 36 *Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets*, which are effective for accounting periods beginning on or after January 1, 2014, reverse the unintended requirement in IFRS 13 *Fair Value Measurement*, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. The amendments require the recoverable amount to be disclosed only when an impairment loss has been recognised or reversed.

- Amendments to IAS 39, *Financial Instruments*: *Novation of Derivatives and Continuation* of *Hedge Accounting,* which are effective for accounting periods beginning on or after January 1, 2014, add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of interest in Other Entities* and IAS 27 *Consolidated* and *Separate Financial Statements* is effective for accounting periods beginning on or after January 1, 2014. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated and separate financial statements. In addition, the amendments introduce new disclosure requirements related to investment entities in IFRS 12 *Disclosure of Interests in Other Entities and* IAS 27 *Separate Financial Statements.*

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

- IFRIC 21 *Levies* is effective for accounting periods beginning on or after January 1, 2014. It provides guidance on accounting for levies in accordance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It requires an entity to recognise a liability for a levy when and only when the triggering event specified in the legislation occurs.

The adoption of these amendments and interpretation to standards did not result in any changes to amounts recognised or disclosed in these financial statements.

New standards, and interpretations of and amendments to existing standards that are not yet effective:

At the date of authorisation of the financial statements, certain new, revised and amended standards and interpretations, have been issued which are not yet effective and which the company has not early-adopted. The company has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following may be relevant to its operations and has concluded as follows:

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

- IFRS 15, *Revenue from Contracts with Customers* is effective for periods beginning on or after January 1, 2017. It replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets* from Customers and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*.

  The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence. The company is assessing the impact that the standard may have on its 2017 financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New standards, and interpretations of and amendments to existing standards that are not yet effective (cont'd):

- *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* is 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 recognised 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 company does not expect that the amendments to these standards will have a significant impact on its 2015 financial statements.

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*. The company does not expect that these amendments will have a significant impact on its 2016 financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New standards, and interpretations of and amendments to existing standards that are not yet effective (cont'd):

- *Improvements to IFRS, 2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the group are as follows:

  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e. reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

The company is assessing the impact that these amendments will have on its 2016 financial statements.

(b) Basis of preparation:

These non-consolidated financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations, changes in equity and cash flows of the group. The company's interests in the non-consolidated subsidiaries (note 24) are shown at cost, less provision for diminution in value [note 3(i)]. Unless otherwise indicated, references to financial statements herein are to the non-consolidated financial statements.

The financial statements are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value. The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

2. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation (continued):

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amount of, and disclosures relating to assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts 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.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Impairment assessments - Impairment provisions for diminution in value of interest in subsidiaries and associated companies (note 8) are determined from a comparison between carrying amount and an estimate of the net present value of future cash flows. That estimate is based on forecasts and an assessment of risk and uncertainty by management. Those estimates could be subject to significant variation from year to year.

(ii) Depreciation methods, useful lives and residual values - Depreciation methods, useful lives and residual values rely on judgment and estimates by management, one of which is that the relevant assets will continue to be used for their current purpose within the company. In addition, useful lives and residual values vary between individual assets and are dependent upon continuation of the current level of maintenance. Should there be a change in the present use or level of maintenance this could change the charge for depreciation and net book value of property, plant and equipment (note 11) within the next financial year.

(c) Comparative information:

Whenever necessary, the comparative figures are restated to conform to the current year's presentation.

3. Significant accounting policies

The significant accounting policies below conform in all material respects to IFRS.

(a) Foreign currencies:

Except for investments in foreign subsidiaries, foreign currency balances at balance sheet date are translated at the buying rates of exchange ruling at that date [note 23(b)(ii)]. Investments in foreign subsidiaries are valued at historical rates of exchange.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

3. Significant accounting policies (continued)

(b) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments 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.

(c) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables recoverable within one year. They are acquired for their earnings potential and for balancing the company's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

(d) Securities purchased under resale agreements:

Securities purchased under resale agreements ('reverse repos') are short-term transactions in which the company makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(e) Trade and other receivables:

Trade and other receivables are stated at amortised cost, less impairment losses [note 3(i)].

(f) Trade and other payables:

Trade and other payables, including provisions, are stated at their amortised cost. A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Investments:

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the company has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held by the company are classified as available-for-sale and are stated at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses, and, in the case of monetary items such as debt securities, foreign exchange gains and losses.

3. Significant accounting policies (continued)

(h) Investments (continued):

Where these investments are derecognised, the cumulative gain or loss previously recognised directly in other comprehensive income is recognised in profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain equity securities.

The fair value of quoted available-for-sale investments is their bid price.

Available-for-sale investments are recognised/derecognised by the company on the date it commits to purchase or sell the investments. Other investments are recognised/derecognised on the day they are transferred to/by the company.

(h) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses [note 3(i)]. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets, are recognised as part of the cost of those qualifying assets.

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 within the part will flow to the company and it can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss, as it is incurred.

(ii) Depreciation

Property, plant and equipment, with the exception of freehold land on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write-off the assets over their expected useful lives. Depreciation methods, useful lives and residual values are reassessed at each reporting date. The depreciation rates are as follows:

Leasehold land and buildings	5%
Freehold buildings	5%
Furniture and equipment	10%
Motor vehicles	20%
Computer software and equipment	33⅓% or 100%

3. Significant accounting policies (continued)

(i) Impairment:

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counterparty or indicators that the customer or counterparty will enter bankruptcy.

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. When a decline in the fair value of an available-for-sale investment has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the investment 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 previously recognised in profit or loss.

[i] Calculation of recoverable amount

The recoverable amount of the company's investments in held-to-maturity securities, loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs 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.

[ii] Reversals of impairment

An impairment loss in respect of a held-to-maturity security, loan or 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.

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.

3. Significant accounting policies (continued)

(j) Employee benefits:

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing; post-employment benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner:

- short-term employee benefits are recognised as a liability, net of payments made, and charged as expense.
- the expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.
- post-employment benefits are pensions provided by a defined-contribution pension plan in which the company participates. The company's contributions to the plan are charged to profit or loss in the period in which they are due.

(k) Revenue:

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the balance sheet date.

(l) Finance costs:

Finance costs represent interest payable on borrowings together with amortised upfront borrowing costs and are recognised in profit or loss using the effective interest rate method.

(m) Interest income:

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(n) Dividend income:

Dividend income is recognised on the date that the company's right to receive payment is established.

(o) Royalty income:

Royalty income is recognised in profit or loss on an accrual basis in accordance with the substance of the relevant agreement.

(p) Taxation:

Income tax on the profit or loss for the year 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.

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

3. Significant accounting policies (continued)

(p) Taxation (cont'd):

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet 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.

(q) Loans payable:

Loans payable are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, it is measured at amortised cost using the effective interest method.

(r) Subsidiary and associated companies:

Interests in subsidiary and associated companies are stated at cost, less provision for impairment [note 3(i)].

4. Cash and cash equivalents

	2014 $'000	2013 $'000
Cash and bank balances	13,145	30,105

5. Short-term investments

	2014 $'000	2013 $'000
Fixed deposit	-	28,604

6. Accounts receivable

	2014 $'000	2013 $'000
Loan receivable	-	1,659
Loan to Employee Share Ownership Plan (ESOP)	-	4,357
Staff receivables	2,623	4,530
Other receivables and prepayments	8,915	23,064
	11,538	33,610
Less: Provision for doubtful debts	-	(2,771)
	11,538	30,839

Other recoverable include amounts due from directors in the ordinary course of business, which are current of $Nil (2013: $108,806).

The number of ordinary stock units (note 12) held by the ESOP at December 31, 2014 was 16,287,919 (2013: 16,721,860).

The movement in the provision for doubtful debts in respect of accounts receivable during the year is as follows:

	2014 $'000	2013 $'000
Balance at January 1	2,771	5,671
Impairment losses reversed	-	(1,450)
Write-offs	(2,771)	(1,450)
	-	2,771

The provision for doubtful debts account in respect of accounts receivable is used to record impairment losses, unless the company is satisfied that no recovery of the amount owing is possible, at which point the amount considered irrecoverable is written off against the receivable directly.

7. Accounts payable

	2014 $'000	2013 $'000
Trade payables	3,766	3,000
Dividend payable	37,405	37,405
Unclaimed dividends	5,272	7,049
Accrued expenses	88,695	68,606
Loan from ESOP	4,859	-
Other	8,073	8,386
	148,070	124,446

8. Interests in subsidiary and associated companies

	2014 $'000	2013 $'000
Subsidiary companies:		
Shares, at cost	859,710	859,710
Less: Impairment provision	(510)	(510)
	859,200	859,200
Loan accounts receivable	536,188	502,910
Current accounts receivable	2,129,159	2,058,813
Less: Impairment provision	(73,624)	(160,132)
Loan accounts payable	(417,754)	(393,097)
Current accounts payable	(243,006)	(86,390)
	2,790,163	2,781,304
Associated companies:		
Shares, at cost	3,269,816	2,171,469
Loan accounts receivable	26,315	24,951
	3,296,131	2,196,420
	6,086,294	4,977,724

Shares held in an associate, Kingston Wharves Limited are pledged as security against a long-term loan (see note 14).

The recoverable amount of the company's investment in each subsidiary is reviewed annually for impairment. The impairment review at the end of the year resulted in a decrease in the impairment provision by $86,508,000 (2013: $6,016,000) net of exchange rate fluctuation of $3,726,022.

9. Investments

	2014 $'000	2013 $'000
Available-for-sale securities:		
Quoted	186,179	355,578
Loans and receivables:		
Corporate bond 2020/(2017)	4,321	4,750
	190,500	360,328

10. Deferred tax asset

The deferred tax asset is attributable to the following:

	Deferred tax					
	Asset		Liability		Net	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	-	4,161	-	-	-	4,161
Other liabilities	-	3,587	-	-	-	3,587
Other assets	13,413	-	(13,413)	(7,748)	-	(7,748)
	13,413	7,748	(13,413)	(7,748)	-	-

11. Property, plant and equipment

	Work –in-progress	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Total $'000
At cost:					
December 31, 2012	472	55,337	34,464	123,550	213,823
Additions	-	-	-	13,893	13,893
Disposals	(472)	-	(7,324)	(759)	(8,555)
December 31, 2013	-	55,337	27,140	136,684	219,161
Additions	-	-	-	24,524	24,524
Disposals	-	-	-	(28,702)	(28,702)
December 31, 2014	-	55,337	27,140	132,506	214,983
Depreciation:					
December 31, 2012	-	14,283	21,788	96,761	132,832
Charge for the year	-	-	853	7,119	7,972
Eliminated on disposals	-	-	(4,376)	(545)	(4,921)
December 31, 2013	-	14,283	18,265	103,335	135,883
Charge for the year	-	-	792	9,193	9,985
Eliminated on disposals	-	-	-	(28,702)	(28,702)
December 31, 2014	-	14,283	19,057	83,826	117,166
Net book values:					
December 31, 2014	-	41,054	8,083	48,680	97,817
December 31, 2013	-	41,054	8,875	33,349	83,278
December 31, 2012	472	41,054	12,676	26,789	80,991

11. Property, plant and equipment (continued)

Freehold land and buildings includes land as follows:

	2014 $'000	2013 $'000
At cost	21,659	21,659
Directors' allocation of cost	4,507	4,507
Total land	26,166	26,166

The company has given an undertaking to one of its bankers not to encumber the property held at 4 Belmont Road while the company has credit arrangements.

12. Share capital

Authorised:
1,500,000,000 ordinary shares at no par value

Stated capital:	2014 $'000	2013 $'000
Issued and fully paid - 187,024,006 ordinary stock units	18,702	18,702

The company's stated capital does not include share premium which is retained in capital reserves (note 13) in accordance with Section 39 (7) of the Act.

13. Reserves

	2014 $'000	2013 $'000
Capital:		
Share premium (note 12)	135,087	135,087
Fair value reserves	135,539	253,804
Other	1,614,156	1,607,019
Total capital	1,884,782	1,995,910
Revenue:		
Retained profits	2,664,799	2,482,631
	4,549,581	4,478,541

Other capital reserves comprise gains on disposal of property, plant and equipment and investments until December 31, 2001, unrealised exchange gains and unclaimed dividends to stockholders (note 19).

14. Long-term loans

	2014 $'000	2013 $'000
Bonds	1,864,245	950,000
Less upfront borrowing costs:		
Incurred during the year	(37,108)	-
Amortised in interest expense for the year	7,795	-
	(29,313)	-
Total carrying value of long-term loans	1,834,932	950,000
Less: Current portion	(64,245)	(50,000)
	1,770,687	900,000

Corporate bond 1 represents a $1,000,000,000 loan, secured by certain shares in Kingston Wharves Limited, an associate (see note 8). It was repayable by annual instalments of $50,000,000 in the first four years starting March 31, 2013 with a final payment of $800,000,000 in year five. The interest rate on the loan was fixed at 8.9% for the first three years and increases to 9.5% for the remaining two years. The loan was restructured effective September 30, 2014. It is now repayable by the year 2020 in yearly instalments of $50,000,000 for the first four years, the sixth year and the seventh year, lump sum payments of $400,000,000 and $300,000,000 in the fifth and final year respectively. The interest is fixed at 8.9% until March 31, 2015, after which it increases to 9.5% until March 31 2017 and thereafter it will be at the Weighted Average Treasury Bill Yield (WATBY) rate plus 2.5%. The WATBY rate will reset at each interest payment date but the total interest rate is capped at 14%.

Corporate bond 2 represents a $1,000,000,000 loan, secured on shares in Kingston Wharves Limited (see note 8) and is repayable by the year 2019 in annual instalments of $50,000,000 for the first four years and a lump sum payment of $800,000,000 in the final year starting on September 23, 2014.The interest rate is the Weighted Average Treasury Bill Yield (WATBY) plus 2.5%. The WATBY will reset at each semi-annual interest payment but the total interest rate is capped at a rate of 12% for the first two years and thereafter capped at 14% until maturity.

15. Financial income and expenses

	2014 $'000	2013 $'000
Financial income:		
Interest income on bank deposits, loans and receivables	45,150	41,403
Interest income on available-for-sale financial assets	1,378	1,575
Dividend income on available-for-sale financial assets	55,353	93,042
Net foreign exchange gain	125,462	196,127
	227,343	332,147
Financial expenses:		
Interest expense on financial liabilities measured at amortised cost	(111,270)	(90,325)
Net financial income	116,073	241,822

16. Disclosure of expenses

Profit before taxation is stated after charging:

	2014 $'000	2013 $'000
Directors' emoluments		
- Fees	8,710	8,243
- For management	64,611	50,461
Auditors' remuneration	8,644	7,398
Depreciation	9,985	7,972
Staff costs	158,356	149,186

17. Taxation

(a) The effective tax rate for 2014 was 1.23% (2013: 0.0%) compared to a statutory rate of 25 % (2013: 25%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	2014 $'000	2013 $'000
Current tax expense:		
Withholding tax at source on dividend	2,894	-
	2,894	-

(b) Reconciliation of actual taxation in change:

	2014 $'000	2013 $'000
Profit before taxation	222,467	221,565
Computed "expected" tax charge at 25%	55,617	55,391
Taxation difference between profit for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	(41,520)	(28,598)
Disallowed income and expenses, depreciation and other related capital adjustments	(11,203)	(26,793)
Actual tax charge recognised in the profit and loss account	2,894	-

(c) At December 31, 2014, taxation losses subject to agreement by the Commissioner General of Tax Administration Jamaica, available for relief against future taxable profits amounted to approximately $493,000,000 (2013: $296,887,000). The taxation losses disclosed in the financial statements reflect those available under existing legislation. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year.

A deferred tax asset of $123,482,000 (2013: $82,160,000) has not been recognised as management considers its realisation within the foreseeable future to be too uncertain.

18. Earnings per ordinary stock unit

The earnings per ordinary stock unit is calculated by dividing the profit for the year of $219,573,000 (2013: $221,565,000) by 187,024,006 ordinary stock units.

19. Distributions to stockholders

	2014 $'000	2013 $'000
Ordinary dividends:		
First interim paid in respect of 2014 - 20¢ (2013: 20¢) per stock unit - gross	37,405	37,405
Unclaimed dividends written back to capital reserves (note 13)	(7,137)	(17,894)
	30,268	19,511

20. Contingent liabilities

One of the company's bankers has issued guarantees on behalf of certain subsidiaries in favour of third parties for $Nil (2013: $546,000). The company has also given a commitment to one of its subsidiaries of its intention to provide financial support as is necessary for its operations throughout 2015. That subsidiary has a net shareholders' deficit at December 31, 2014 of $575.8 million (2013: $417.4 million).

21. Operating lease arrangements

Non-cancellable operating lease receivables

Operating leases relate to property owned by the company or property leased from its subsidiaries with lease or sub-lease terms of between 3 to 5 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The company earned property rental income of $34,280,000 (2013: $29,260,000) under operating leases. Direct operating expenses arising on the property in the period was $8,186,000 (2013: $6,246,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2014 $'000	2013 $'000
Within one year	15,998	25,901
In the second to fifth year inclusive	11,144	25,290
	27,142	51,191

22. Related parties

(a) Identity of related parties:

The company has a related party relationship with its directors and officers. The company's executive directors and officers are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 28.1% (2013: 28.1%) of the voting shares of the company. Receivables from directors at December 31, 2014 amounted to $Nil (2013: $108,806) included in "other receivables" (see note 6). These balances are current and were subsequently settled. No interest is payable by directors on these balances. In addition to their salaries, the company contributes to various post-employment benefit plans on behalf of key management personnel.

Compensation of key management personnel is as follows:

	2014 $'000	2013 $'000
Short-term employment and other benefits	98,121	80,254
Post-employment benefits	7,614	6,067
Total remuneration, included in directors' emoluments and staff costs, where applicable (see note 16)	105,735	86,321

22. Related parties (continued)

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Category and nature of relationship	Nature of transactions	Transactions in year (Income)/Expense 2014 $'000	Transactions in year (Income)/Expense 2013 $'000	(Payable)/receivable at end of year 2014 $'000	(Payable)/receivable at end of year 2013 $'000	Terms and conditions *	Provision end of year 2014 $'000	Provision end of year 2013 $'000	(Expense)/recovery during the year 2014 $'000	(Expense)/recovery during the year 2013 $'000
Transactions with joint venture and associate:										
50% joint venture partner	Management services charged by company	(27,688)	(28,112)	26,315	20,000	3,4,5	-	-	-	-
50% joint venture partner	Interest on loans charged by company	(1,000)	-	-	-	3,4,5	-	-	-	-
Transactions with directors and key management personnel or entities under their control and/or significant influence:										
Company under their control	Insurance premiums charged to company by broker	4,580	4,573	-	-	1,3,4	N/A	N/A	N/A	N/A

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Interest free
3. Unsecured
4. Settlement in cash
5. Credit over 30 days

23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include long-term loans and accounts payable.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of long-term loans is assumed to approximate the carrying value as the interest rate reflects the market rate. Fair value of quoted investments is the market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. The fair values of other investments are assumed to be cost, less provision for impairment.

(b) Financial instrument risks:

The company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk is detailed below.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. Management standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, securities purchased under resale agreements, other investments and cash and cash equivalents.

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

The maximum exposure to credit risk at the reporting date is equal to its carrying value:

The company manages this risk as follows:

- Cash and cash equivalents and short-term investments

  The company maintains cash resources and short-term deposits with reputable financial institutions. The credit risk is considered to be low.

  No provision for impairment is deemed necessary.

- Securities purchased under resale agreements

  Assigned collateral, with a fair value of $159,932,000 (2013: $41,288,000) for the company, was held for securities purchased under resale agreements [note 3(d)].

  No provision for impairment is deemed necessary.

- Accounts receivable

  The company has a credit policy in place to minimize exposure to credit risk inherent in trade accounts receivable. Credit terms are negotiated based on a mix of terms acceptable to both parties.

  The company has a policy in place to provide for impairment on all such debts more than ninety (90) days past due except for specific balances that relate to special circumstances that provide fresh evidence that recovery is not in doubt.

  Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors, including Jamaican GCT. These guidelines include the provision of collateral as security for credit extended.

  Impairment provisions are made on the basis of reviews of specific balances that are inconsistent with staff guidelines or the terms relating to other receivables.

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

The company manages this risk as follows (continued):

- Non-current investments

  Credit risk on non-current investments is considered to be minimal.

  No provision for impairment is deemed necessary.

  The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

  There were no changes in the company's approach to managing credit risk during the year.

(ii) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

The company manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

There were no changes in the company's approach to managing market risk during the year.

Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaica dollar. The main currencies giving rise to this risk are the Pound Sterling (£) and United States dollar (US$).

The company manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the company's approach to managing foreign currency risk during the year.

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

The net foreign currency financial assets/(liabilities) at year-end were as follows:

	2014			2013		
	US$'000	£'000	€'000	US$'000	£'000	€'000
Cash and cash equivalents	69	4	-	229	15	-
Short-term investments	-	-	-	16	-	-
resale agreements	1,303	-	-	245	-	-
Accounts receivable	9	-	-	6	-	-
Accounts payable	(5)	-	-	(6)	(1)	-
Non-current investments	534	-	-	400	-	-
Loans and advances to/(from) subsidiary companies	11,873	(623)	(1,084)	13,509	(621)	-
Gross balance sheet exposure	13,783	(619)	(1,084)	14,399	(607)	-

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 10% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains/(losses) based on the net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis as in the previous year.

10% (2013: 10%) Depreciation of J$

	2014	2013
	$'000	$'000
US dollar (US$)	157,387	152,219
Pound Sterling (£)	(10,889)	(10,533)
EURO (€)	(14,963)	-

2% (2013: 2%) Appreciation of J$

	2014	2013
	$'000	$'000
US dollar (US$)	(31,477)	(30,444)
Pound Sterling (£)	2,178	2,107
EURO (€)	2,993	-

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Buying exchange rates at:

	December 31	
	2014	2013
US$1 to J$	114.12	105.72
UK£1 to J$	175.97	173.56
€1 to J$	138.09	145.67

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.

Bank loans and overdrafts are subject to interest rates which may be varied by appropriate notice from the lender.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	2014	2013
	$'000	$'000
Fixed rate instrument		
Financial assets	148,730	65,998
Financial liabilities	1,864,932	937,391

There were no changes in the company's approach to managing interest rate risk during the year.

Other market price risk

The company is exposed to equity price risks arising from available-for-sale equity investments. Equity investments are held for strategic purposes and capital gains.

The company's equity securities are all listed on the Jamaica Stock Exchange. An increase or decrease of 20% (2013: 20%) in share prices would result in an increase or an equal decrease, respectively, in equity of $ 37,460,000 (2013: $71,340,000).

There would be no impact on profit or loss at the reporting date $Nil (2013: $Nil) as there were no impaired investments or investments designated as fair value through profit or loss.

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The management of the company aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the company's approach to liquidity risk management during the year.

The following are the contractual maturities of non-derivative financial liabilities except for accounts payable, whose contractual maturities equals its carrying value and is repayable within one year. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the company can be required to pay. All other financial liabilities are due within one year of the balance sheet date. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
December 31, 2014					
Corporate bond 1	8.9	850,982	1,199,071	96,428	1,102,643
Corporate bond 2	10.5	983,950	1,446,305	153,674	1,292,631
		1,834,932	2,645,376	250,102	2,395,274
December 31, 2013					
Corporate bond 1	8.9	950,000	1,229,335	132,319	1,097,016

(iv) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as total shareholders' equity, excluding minority interest. The level of dividends to ordinary shareholders is also monitored in accordance with the company's stated dividend policy.

23. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iv) Capital management (continued)

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

24. Subsidiary, joint venture and associated companies

The company has the following subsidiary, joint venture and associated companies. The results of these companies are not included in these financial statements [see note 2 (b)]. Subsidiaries of subsidiaries are indented under their respective parent in the list below.

	% equity held		Place of
	2014	2013	business
SUBSIDIARY COMPANIES*			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	"
Agri Services Limited	100	100	"
Eastern Banana Estates Limited	100	100	"
St. Mary Banana Estates Limited	100	100	"
P.S.C. Limited	100	100	"
Jamaica Producers Shipping Company Limited	60	60	"
JP Tropical Foods Limited	100	100	"
JBFS Investments Limited	100	100	"
Crescent Developments Limited	100	100	"
Central American Banana (2005) Limited	100	100	Cayman Islands
Antillean Foods, Inc.	100	-	Cayman Islands
JP Shipping Services Limited	100	100	England and Wales
Four Rivers Mining Company Limited	51	51	Jamaica
JP International Group Limited	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	"
Tortuga International Holdings Limited	62	62	St. Lucia
Bakers Choice Inc.	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga International Limited	100	100	Cayman Islands
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
JP Tropical Snacks Limited	100	100	Cayman Islands

24. Subsidiary, joint venture and associated companies (continued)

	% equity held		Place of
	2014	2013	business
JOINT VENTURE COMPANIES			
Antillean Foods, Inc.	-	50	Cayman Islands
Mavis Bank Coffee Factory Limited	50	50	Jamaica
ASSOCIATED COMPANIES			
Kingston Wharves Limited	42	30	Jamaica
Tortuga Cayman Limited	40	40	Cayman Islands

* The names of inactive subsidiary companies are omitted.

FORM OF PROXY

JAMAICA PRODUCERS GROUP LIMITED

I/We……
(Block Capitals)

of……..

being a member/members of the above-mentioned Company HEREBY APPOINT ……..

……. or failing him/her

……
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday June 26, 2015 at 10:00 a.m. and at any adjournment thereof.

DATED this …….. day of ……. 2015

Signed ……..

If you wish your proxy to vote in a particular manner, please indicate.

	FOR	AGAINST
RESOLUTION 1:		
RESOLUTION 2:		
RESOLUTION 3:		
RESOLUTION 4:		
RESOLUTION 5 (a):		
RESOLUTION 5 (b):		
RESOLUTION 6:		

Notes

1. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the Register.
4. If the appointer is a Corporation this Form of Proxy must be executed under its Common Seal.
5. An adhesive stamp for $100.00 must be affixed to this Form of Proxy.

Place $100 adhesive stamp here

Always there for you!

JP

by Hoogesteger

Four Rivers
MINING COMPANY

NICE & CRUNCHY
St Mary's
SINCE 1929

KW
KINGSTON WHARVES LIMITED

TORTUGA
A Taste of the Caribbean®

JABLUM

JP SHIPPING SERVICES

Jamaica Producers Group Limited
6A Oxford Road, Kingston 5, Jamaica
www.jpjamaica.com