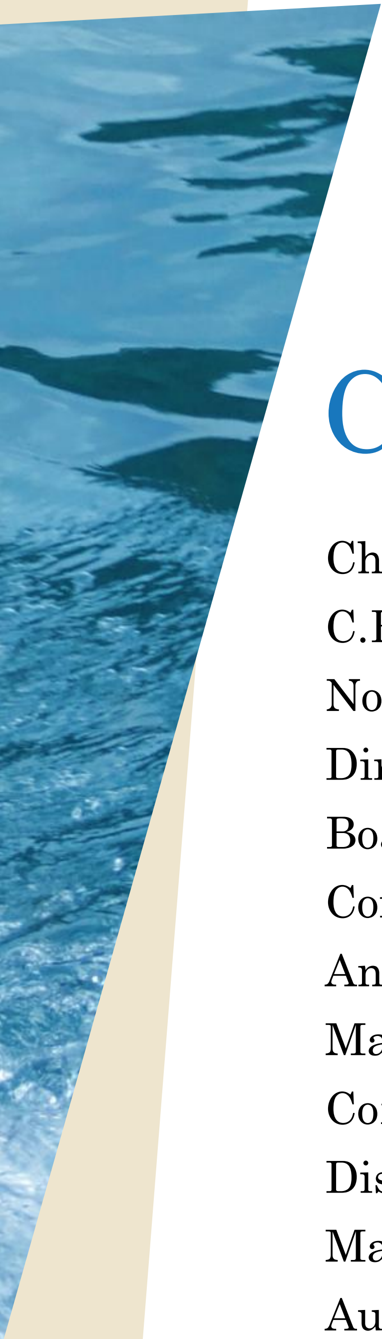
DOLPHIN COVE®

ANNUAL REPORT

2015


STEARNS



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CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present, on behalf of the Board of Directors, the annual report of Dolphin Cove Limited for the year ended December 31, 2015.

2015 was our fifth year of operation as a listed company with many shareholders. As I look back over that short period I think it is quite remarkable how much has happened. In that period we (i) opened a new park at Lucea (ii) grew revenues, assets and profits by 201%, 146% and 487% respectively (iii) acquired real estate in Turks and Caicos and St. Lucia for overseas expansion (iv) expanded our dolphin population from 23 to 33, (v) pioneered a new concept with the Moon Palace Hotel (vi) revitalized the Prospect Park to become a good profit contributor by introducing new products, (vii) saw an increase in the price of your shares from $3 to $16 per share, (viii) paid out $734 million in dividends.

Introduction of Dolphin Discovery:

We are the first company on the Junior Stock Exchange to have received a takeover bid and are now aligned with the premier operating partner in the region and beyond, thus giving our shareholders new opportunities.

On December 18, 2015 Dolphin Discovery made an offer to the shareholders which was recommended by your directors, all of whom themselves participated in the successful offer. I have retained a substantial shareholding still, now as an independent director. I refer you to the statement in this report by that company's Chief Executive Officer, Eduardo Albor to learn more about our new majority shareholder, but suffice it for me to say that Dolphin Discovery is the best possible partner for us given their years of successful operations in our industry and their ubiquitous presence in the Caribbean.

Dolphin Program:

The health and welfare of our Atlantic Bottlenose dolphins, which are considered to be the most desirable in the industry is a critical factor for our success and we spare no effort or expense to maintain our excellent record of ensuring their happiness. During the year there were 5 births and the newborns are all doing well.

Directors' Farewell and Welcome:

I take this opportunity to thank our outgoing directors and welcome our new directors nominated by Dolphin Discovery in November 2015, Eduardo Albor, Concepcion Esteban, Lorenzo Camara and Travis Burke who are introduced later in this annual report.

In accordance with the terms of the takeover bid, the following directors resigned:

Marilyn Burrowes. We thank her for her service as a Founding Director and are delighted that she continues to create and maintain essential personal and business relationships with customers (including shipping lines, hotels and tour operators), suppliers, government agencies and team members in her executive capacity. She continues to give me essential support and encouragement as always.

Gregory Burrowes has worked tirelessly in the management of the operations of the parks and in fostering relationships with the shipping lines and has been responsible for much of our success including the safety and security of our parks and their smooth functioning.

Dr. The Hon Danny Williams, OJ, has been a pillar of strength to the company since its inception 16 years ago. All of us as shareholders have benefitted immensely as Danny energetically shared his intelligence, charm and his extensive, almost unmatched, business acumen and management skills, as well as his prestige. We are grateful to have been able to attract him to the Board and keep him there for so long.

Richard Downer - Though Richard relinquished his director role, he remains as the Mentor. We would like to thank him for his valuable contribution as a Director, keeping us in line with the requirements of the Stock Exchange and advising us in all our decisions. As our Mentor we know we can continue to rely on his expert guidance.

Awards:

Dolphin Cove received many Awards and Recognitions for 2015, among them are:

I. World Travel Award 2015 for the fifth consecutive year for being the Caribbean Leading Adventure Tourist Attraction.

II. Jamaica Hotel Tourist Association (JHTA): Attraction Award 2015.

III. St Ann Chamber of Commerce: Corporative Award in recognition of exemplary service and invaluable contribution to Community development.

IV. Kiwanis Club of Charlton, Alexandria: For outstanding and Dedicated service to the Community and Club.

Outlook:

The outlook remains very positive as we continue to benefit from the increasing numbers of new hotel rooms being constructed.

Improvements being implemented in the vicinity of the Ocho Rios Cruise Ship Terminal should see greater guest satisfaction and an increase in cruise arrivals to this port.

The new north/south highway which has brought Caymanas within 45 minutes of our Ocho Rios Park will certainly significantly increase the numbers of our visitors coming from Kingston.

Following the recent general election, Jamaica has shown the world once again that it is a stable country with a mature democracy and a strong consensus that free enterprise and fiscal responsibility are essential to success. The demonstrated effect of the investment by an overseas company in our business is profound.

Your directors are of the view that there is enormous potential to grow the tourism industry in Jamaica, our predominant market, dramatically. We believe that the prospects and opportunities for Dolphin Cove are better than ever and the first few months of 2016 have shown encouraging results. Our connection with Dolphin Discovery is a great opportunity and their team has already started to introduce beneficial initiatives in relation to the physical plant, cost efficiencies and revenue enhancement.

With the two ingredients of a solid market and a strong management team operating in a stable environment we have good reason to be optimistic about the prospects of your Company.

Stafford Burrowes, OD
Chairman and Chief Executive Officer
April 29, 2016

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CEO), DOLPHIN DISCOVERY GROUP

Dear Shareholders,

It was a long journey; not an easy one, but very exciting. Finally, the Dolphin Discovery ship landed in beautiful Jamaica on November 18, 2016. On that day, it was announced that Dolphin Discovery had acquired almost 60% of the ordinary share capital of Dolphin Cove Limited and, a few weeks later, we stated our intention to acquire additional shares in the Company. For Dolphin Discovery, our investment in Jamaica is the largest commitment to a single transaction in our history, which is indeed a show of confidence in the dolphin business, the company and indeed, to this country.

A company born in Cancun, Mexico 21 years ago, Dolphin Discovery is now the largest Dolphin organization in the world, with 23 parks and dolphin habitats in 9 countries, including Mexico, USA, Italy and Jamaica. This year it is projected that they will receive more than 2,000,000 guests, half of them having the experience to swim with dolphins.

Our family of more than 250 marine mammals, most of them born under human care as part of our breeding programme called "Miracle", has brought to this world two generations of dolphins, sea lions and manatees. Every day, more than 300 people, marine mammal specialists, veterinarians and marine biologists, are dedicated to the care, attention, training and well being of all animals under our care.

We have also found at Dolphin Cove, one of the highest standards in animal care and well being, very similar to what we have in all our other parks and now, with our experience and know how, we feel confident Dolphin Cove will also become one of the most successful dolphin parks in the world, always committed to providing the best experience to all our guests.

In 2016, we are investing almost Two Million United States Dollars (USD 2,000,000) in upgrading our parks in Jamaica, as part of our plan to make Dolphin Cove the signature attraction in this country, which will contribute to the economic success of Jamaica. This is part of a long term plan, which is consistent with our long term commitment to the community. We want all our guests to take home the memory of having lived the experience of a lifetime at Dolphin Cove in Jamaica and we want all of you to feel proud of your investment in this Company, as we devote to making dreams come true.

Thank you very much for your confidence and for giving us the opportunity to be part of the Dolphin Cove family.

God bless you, God bless Dolphin Cove and God bless Jamaica.

Eduardo Albor Villanueva
CEO, Dolphin Discovery Group

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Dolphin Cove Limited will be held at The Courtleigh Hotel & Suites, 85 Knutsford Boulevard, Kingston 5, on Monday, 27 June 2016 at 2:30 pm for the following purposes:

1. To receive the report of the Directors and Financial Statements for the year ended 31 December 2015 and the report of the Auditors thereon.

2. To re-elect the retiring Directors and to fix the remuneration of the Directors. The Director retiring by rotation pursuant to article 97 of the Company's Articles of Incorporation is Mr. Noel Levy, who, being eligible, offers himself for re-election. In addition, Messrs Eduardo Albor, Travis Burke and Lorenzo Camara, and Mrs Concepcion Esteban, the directors appointed since the last annual general meeting, also retire and offer themselves for re-election.

   To consider and, if thought fit, pass the following resolutions:

   (a) THAT retiring Director Mr. Noel Levy be and is hereby re-elected as a Director of the Company.

   (b) THAT Mr. Eduardo Albor, Director appointed since the last annual general meeting, be and is hereby re-elected as a Director of the Company.

   (c) THAT Mr. Travis Burke, Director appointed since the last annual general meeting, be and is hereby re-elected as a Director of the Company.

   (d) THAT Mrs Concepcion Esteban, Director appointed since the last annual general meeting, be and is hereby re-elected as a Director of the Company.

   (e) THAT Mr. Lorenzo Camara, Director appointed since the last annual general meeting, be and is hereby re-elected as a Director of the Company.

3. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year. The Auditors, Messrs KPMG, Chartered Accountants, have signified their willingness to continue in office pursuant to Section 154 of the Companies Act.

Dated this 26th day of April 2016

BY ORDER OF THE BOARD

Rhonda Goodison
Secretary

REGISTERED OFFICE
Belmont, Ocho Rios, St Ann

NOTES:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. A suitable form of proxy is enclosed. It must be lodged at the Company's registered office at least forty-eight hours before the time appointed for holding the meeting. The proxy form shall bear stamp duty of $100.00 before being signed. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the persons executing the proxy.

2. Pursuant the articles of incorporation, a corporate shareholder (member) may by resolution of its Directors appoint a person (not a proxy) to attend and vote at the meeting.

DIRECTORS' REPORT

The Directors are pleased to present their report and audited statements of accounts for the year ended December 31, 2015.

1. **Financial Results**

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Retained Earnings at January 1, 2015	912,057,843
Dividend	(176,591,871)
Profit Before Taxation	400,738,081
Deferred Tax credit	5,507,981
Profit After Taxation	406,246,062
Retained Earnings at December 31, 2015	1,141,712,034
Earnings per Stock Unit	103.52 Cents

2. **Directors:**
   In accordance with clause 97 of the Articles of Incorporation, Mr. Noel Levy retires by rotation, and being eligible, offers himself for re-election. Further, in accordance with clause 93 of the Articles of Incorporation, Messrs Eduardo Albor, Travis Burke and Lorenzo Camara, and Mrs Concepcion Esteban, the directors appointed since the date of the last annual general meeting, also retire and offer themselves for re-election.

3. **Auditors:**
   The Auditors, Messrs KPMG, Chartered Accountants, have signified their willingness to continue in office pursuant to Section 154 of the Companies Act.

4. **Employees:**
   Your Directors wish to thank the management and staff of the company for their performance during the year under review.

5. **Customers:**
   The Directors wish to thank our valued customers for their support and contribution to the company's performance during the year under review, and look forward to their continued support of the Group.

Dated this 26th day of April 2016

BY ORDER OF THE BOARD

Rhonda Goodison

Rhonda Goodison
Secretary

BOARD OF DIRECTORS

Stafford Burrowes, O.D
(appointed September 1998)
Chairman

Stafford Burrowes, the Chairman of the Company, is the entrepreneur who conceived and developed the business idea that became the first Dolphin Cove marine park in Jamaica. Since then, he planned and executed its expansion and the development of another Dolphin Cove location in Point, Lucea, Hanover.

Eduardo Albor Villanueva,
(appointed November 2015)
Non Executive Director

Eduardo Albor Villanueva is a law graduate from the Universidad de Mayab and has a Masters Degree - Corporate Law from the Universidad Anahuac.

From inception, his work has been at the corporate level beginning as the General Counsel for the Royal Resorts chain and as the Founding Partner of the law firm, Camara y Albor. In January 1999, Mr. Albor became the CEO of Grupo Dolphin Discovery, the number one Swim With the Dolphins company in the world. A company steeped in history operating with responsibility, respect and ecological awareness that offers a natural environment in which guests participate in the unforgettable experience of swimming with Dolphins, Sea Lions, Manatees and Whale watching in Los Cabos. Today, he is the Chairman of the Board and a Partner and the key player in the spectacular growth of this company as well as other Units such as Parque Garrafon and Aquatours Marina.

He is also Chairman of the Board of Grupo Editorial Latitud 21, an important media company in Cancun with three brands detailing social, political and charitable news of the region.
Mr. Albor is active in the International Association of Amusement Parks and Attractions (IAAPA.org) and serves on the Latin American Advisory Board.

He is also one of the principal promoters of Social Responsibility initiatives in the state of Quintana Roo and serves as President of the Fundacion Dolphin Discovery, which is in the process of developing, funding and building the new Cancun-Chetumal Archdiocese.

BOARD OF DIRECTORS

The Hon. W. A. McConnell,
OJ, CD, JP, FCA, Hon. LLD
(appointed September 2010)
Non Executive Director

Mr. McConnell, a Chartered Accountant and a member of the Institute of Chartered Accountants of Jamaica, is the Chairman of St. Elizabeth Holdings Limited. He was conferred with the Order of Distinction with the rank of Commander for his services to Jamaica in the development of commerce and export and with the Order of Jamaica for distinguished leadership in Business and the Export Industry, and has been awarded an honorary doctorate of laws (LLD) by the University of the West Indies.

Mr. McConnell is also the Chairman of IronRock Insurance Company Limited, Sugar Manufacturing Corporation of Jamaica Limited and is a Director of Jamaica Cane Products Sales Limited, Jamaica Observer Limited, Spirits Pool Association of Jamaica and the University Hospital of the West Indies - Private Wing Limited. In addition, Mr. McConnell has served the Private Sector Organization of Jamaica as either Vice President or Honourary Secretary for 20 Continuous years. In 2011 Mr. McConnell retired as Managing Director of both Lascelles de Mercado & Co. Limited and Wray & Nephew Group after 38 years of continuous service to that group. His public service includes serving as a Director and later Chairman of both the Petroleum Corporation of Jamaica and Petrojam Limited and as a Director of the Sugar Industry Authority.

Noel D. Levy
(appointed September 2006)
Non Executive Director

Noel D. Levy, member of the Jamaica Bar Association and the Law Society of England and Wales in the United Kingdom, is a consultant attorney -at- law at the firm of Myers Fletcher & Gordon and former senior partner of that firm, specializing in commercial law.

He has served on the boards of several private commercial companies including banking, life and general insurance companies. Mr. Levy is currently a member of the board of directors of ICWI Group Limited, The Insurance Company of the West Indies Limited and I.G.L. Limited. He served for several years as a Commissioner of the Jamaica Racing Commission and the Betting Gaming and Lotteries Commission. He is currently serving as a member of the Council of the University of the West Indies, Mona where he is Chairman of the Audit Committee.

BOARD OF DIRECTORS

Concepcion Esteban Manchado
(appointed November 2015)
Non Executive Director

Ms. Esteban has served as General Counsel for Grupo Dolphin Discovery since January 2011 and has been with the Group since January 2000 where she began as Corporate Legal Manager as well as Director of Human Resources.

She has extensive experience in corporate and environmental law, within her current position at Grupo Dolphin Discovery's Corporate Office, her main responsibilities are the direction in everything the company requires in legal matters, such as legal obligations to comply with the law, plan and conduct corporate legal procedures necessary for the Societies comply with regulations for particular facts or legal situations (incorporation of companies, mergers, liquidations, adapting statutes, etc.), monitor judicial and extrajudicial processes, employment cases, review and approve legal contracts, and other documents related to commercial, financial and operational matters, provide legal advice to the executive board of the company.

Before joining Grupo Dolphin Discovery, she worked as Corporate Counsel in companies like Andersons Group and law firms as well as public notaries and brokers.

Concepción acts as Public Broker No. 6 in the state of Quintana Roo since August 1999, from 2010 to 2014 she occupied the Chair of the Public Corridors College and was Director of the same College from 2012 to 2014.

She has a Degree in Law from the Universidad Intercontinental. She has a Master's Degree in Corporate Law from the Universidad del Mayab, Specialization in business law from the UniversidadAnáhuacCancún, and Specialization in Property Valuation with orientation from the Universidad Autonoma de Zacatecas, plus she has taken several Diploma courses such as Finance for Non-financial, Business Management, etc.

Travis Burke
(appointed December 2015)
Non Executive Director

Travis William Burke focuses on the strategic vision for Grupo Dolphin Discovery based on three fundamental pillars: assuring the health and wellbeing of the Marine Mammals under our care, fostering innovation in the education and entertainment mission of the Group and implementing the latest technology to strengthen the guest experience.

Travis has been part of the Dolphin Discovery team since 1999 and is proud to serve Mr. Albor, Mr. Burrowes and the Dolphin Cove family in retaining its place amongst Jamaican parks and expanding this wonderful company.

Travis is currently Vice-Chair of the Board of Directors at the Alliance of Marine Mammal Parks & Aquariums and serves on two Committees at IAAPA - the Zoo & Aquarium Committee and the Brass Rings Committee.
He has worked in the Parks & Entertainment industry for 23 years beginning as a lifeguard at waterparks in Texas and then moving on to construction and management of facilities at Texas A&M University and other Parks in Mexico and the Caribbean.

Travis is a graduate of Texas A&M University with a Bachelor of Business Administration in Accounting.

BOARD OF DIRECTORS

Lorenzo Camara
(appointed 2016)
Non Executive Director

Mr. Camara joined Grupo Dolphin Discovery in 1996 and currently serves as Director of Operations. He has extensive experience not only in operations but in sales, engineering, construction and launching of new projects and is responsible for the operation of all 23 Dolphin Parks plus Aquaventuras in Vallarra, Garrafon in Isla Mujeres and Dolphin Discovery's Marina Aquatours in Cancun.

MENTOR

Richard Downer,
CD, FCA
(appointed December 2010)
Mentor

Mr. Downer, a former Senior Partner of PricewaterhouseCoopers in Jamaica, currently serves as a director on the board of Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited, Mentor of tThech Limited and is a member of the Rating Committee of cariCRIS Limited. He has been a member of Dolphin Cove Limited's Audit Committee since 2010 and its Remuneration Committee since 2012.

He has served in several roles in the public sector including as Executive Director of the Bureau of Management Support in the Office of the Prime Minister of Jamaica and as Temporary Manager for several troubled financial institutions and directorships of government entities. At PricewaterhouseCoopers, he specialized in corporate finance and corporate recovery. He has also served on the boards of a number of companies in the private sector from time to time.

He was awarded the Order of Distinction with the rank of Commander (CD) by Jamaica in 1986 for services to Accountancy and being a Pioneer in Privatization and the Distinguished Member Award of the Institute of Chartered Accountants in 2012.

CORPORATE GOVERNANCE AND ACCOUNTABILITY

The Board of Directors is the highest governing authority with respect to the management of the Group. In overseeing the operations of the Group, the Board establishes broad policies and objectives and ensures that sufficient resources are available to meet those objectives. The Board is chaired by the Group's founder, Mr. Stafford Burrowes, and meets regularly to discuss and review the performance of the Group and to ensure that the objectives are satisfactorily pursued giving regard to the social and regulatory environment and the risks that may exist within the relevant markets.

The directors are experienced in their respective fields and collectively bring a wide range of professional and commercial expertise to the management of the Group.

The Board has established an Audit Committee and a Compensation Committee and the members include at least two independent non executive Directors.

The Audit Committee functions as an advisor to the Board and provides assurance in the areas of financial reporting, internal control, risk management, compliance with legal and regulatory requirements, internal and external audit, and matters relating to corporate governance. The audit Committee comprises: The Chairman, Mr. W.A. McConnell, and three other non-executive members of the Board. The Group engaged PricewaterhouseCoopers (PWC) to provide internal audit services. The Internal Audit Plan is reviewed and approved by the Audit Committee and periodic reports are received by the Audit Committee which monitors the implementation of recommendations.

The Compensation Committee recommends appropriate compensation for executive members, within the context of current market rates and best practices, and ensures that the compensation structure is sufficient to attract, retain and motivate highly ranked executive members.

The following table outlines the Director's attendance at Board Meetings for the 12 months ended December 31, 2015:

Directors' Attendance at Board Meetings Year ended December 31, 2015	
Budgeted Number of meetings for the year	8
Actual Number of Meetings held	8
W.A. McConnell	8
Gregory Burrowes (*1)	8
R. Danvers Williams (*1)	8
Noel D. Levy	7
Stafford Burrowes	7
Richard L. Downer (*1)	7
Marilyn Burrowes (*1)	7
Note: *1 – Resigned: November 2015	

ANIMAL WELFARE & ENVIRONMENTAL RESPONSIBILITY

Among Dolphin Cove's priorities is to ensure the proper health and welfare of its dolphins and other wildlife, and to protect the natural environment they inhabit. Dolphin Cove had 33 dolphins within its Sanctuaries as at December 31, 2015 and this number has since been increased to thirty nine (39), including three new births. All dolphins are kept in large natural lagoons which is an integral part of the group's natural theme. As a result of the use of these large natural lagoons (as opposed to tanks) Dolphin Cove Limited was, within the last two years, selected to care for four dolphins: two from Peru and two which were transported all the way from Switzerland.

All Dolphin Sanctuaries/lagoons are designed and operated to meet the international requirements stipulated for dolphin parks and staff members who see to the care of the dolphins are trained and certified to perform their respective roles. Dolphin Cove employs a dedicated veterinarian along with support from the Grupo Dolphin Discovery corporate head office's Animal Care team. The condition of each of the dolphins is continuously monitored and daily reports are produced to the local General Manager of Animal Care and Training.

Dolphin Cove also engages a specialist compliance advisor whose role is to liaise with government agencies, advise on environmental policy, monitor compliance with the requirements of its permits and licenses, prepare technical documentation, and manage special projects.

MANAGEMENT TEAM

Stafford Burrowes, O.D
Managing Director

Mr. Stafford Burrowes is responsible for all aspects of Dolphin Cove's operations, including conceiving of and implementing initiatives that are in keeping with the company's mission. He is in charge of setting the overall strategy and vision and building a work culture and environment where high performers thrive.

Educated at Jamaica College in St. Andrew, Mr. Burrowes previously opened and operated a chain of six flower shops named Gaylord's Flowers Ltd in Canada and was Managing Director for Dunn's River Videos Ltd, Global Telecom Ltd and Jamaica Floral Export Ltd.

Alejandro Raygoza
Regional Director - Jamaica

Alejandro Raygoza recently joined the Dolphin Cove team with the primary responsibility of overseeing the smooth operations of all the parks in Jamaica, which includes ensuring that the overall service delivery, the physical infrastructure, staffing and the guest experience are consistent with best practices and the company's mandate of being the largest dolphin company in the world. Mr. Raygoza has strong participation in the commercialization of the company's products via the various channels coupled with ensuring that utmost efficiency is deployed consistent with the company's profit maximizing objective. Since joining the company, he has been instrumental in upgrading the properties at the different locations which has had an immediate impact in improving the revenue at all the various locations.

Mr. Raygoza has over thirteen (13) years experience in the management of dolphin facilities in different countries and his past roles include, inter alia, Corporate Manager for Cruise Ships and Caribbean Sales, Projection Manager and Operations, and Corporate Coordinator at the Grupo Dolphin Discovery's corporate office.

Alejandro is multilingual and has to his credit a Bachelor's Degree in Management and Tourism and is also pursuing a Master's Degree in business Administration.

Alexander Debuono
General Manager - Ocho Rios Park

Mr. Alexandar Debouno worked as an entrepreneur, specializing in product development, before he joined the Dolphin Cove team in 2012 as General Manager at our park located in Prospect, St. Mary. There he pioneered the creation of additional products which served to increase the revenue and profitability at that location.

While at Prospect, Mr. Debuono also supervised the ground operations and special projects at the other Parks and most recently was appointed as General Manager of the Ocho Rios Park, where he now serves on a full-time basis. As General Manager, he has overall responsibility for the smooth operations of the park, paying particular attention to its physical infrastructure, staff deployment, etc. in addition to ensuring that all targets, including financial, are met.

Mr. Debuono is part of the Executive Management Team at Dolphin Cove Limited and is also a member of several local Boards.

MANAGEMENT TEAM

Mauricio Cortez
General Manager - Negril and Half Moon Parks

Mauricio Cortez recently joined the team at Dolphin Cove - Jamaica and has responsibility for the overall operations at our Negril and Half Moon parks.

Prior to the above appointment, he served as general manager, over a period spanning nine (9) years, in various dolphin parks, a theme park and Yacht Club and was also the Corporate Manager of Operations at Dolphin Discovery. Mr. Cortez holds a Master's Degree in Biological Science and has been working with dolphins for the past seventeen (17) years.

Trudane Hardware
General Manager, Moon Palace Jamaica Grande

Trudane Hardware is the General Manager for the Dolphin Cove Dolphinarium operations at Moon Palace in Ocho Rios. He joined the team in July 2013 and served as Park Manager at the Negril Park prior to his promotion to General Manager. He is a graduate of the University College of the Caribbean where he earned a Diploma in Management studies, Certificate in Financial Securities and more recently a Bachelor of Science in Tourism and Hospitality Management.

Mr. Hardware has over 15 years of experience in the Tourism Industry and had previously worked at Sandals Resorts International and had operations and sales management experience including reservations, sales, public relations, accounting and loyalty management.

Alexander Sale
Acting General Manager - Prospect Park

Mr. Alexander Sale joined the company in 2012 having direct responsibility for the Sea Trek operations at the Ocho Rios Park. A year later, he was promoted to Operations Manager of the Park at Prospect where he assisted the then General Manager in executing the daily operations and ensuring that the guest experience is a memorable one.

In 2016, he was promoted to the position of General Manager (Acting) with the chief responsibility of managing the Park's operations while ensuring that key performance (financial and otherwise) targets are achieved.

Mr. Sale is also a trained and experienced rescue diver.

Raul Novelo
General Manager of Animal Care and Training

Raul Novelo is one of the recent additions to the Dolphin Cove family and is the General Manager of Animal Care and Training. He has over 18 years experience in training and caring for dolphins and other animals and has held several titles including Regional Manager of Grupo Dolphin Discovery's Caribbean operations where he had extensive oversight for its facilities in the British Virgin Island, Anguilla, Grand Cayman, Punta Cana, and St. Kitts. Among his many areas of expertise is the development of protocols and manuals for animal well being as well as leading teams of dolphin trainers in different countries.

Mr. Novelo is the holder of a degree in Business Administration and is also a certified rescue diver.

MANAGEMENT TEAM

Dr. Mishka Stennett, D.V.M., M.Sc
Staff Veterinarian

Dr. Stennett is Dolphin Cove's staff veterinarian. She trained at the University of London School of Veterinary Medicine and at the University of the West Indies School of Veterinary Medicine and is the holder of a Master's degree in Science (M.Sc.) in Veterinary Epidemiology and Public Health at University of London, by distance learning. She was voted the Young Scientist of the Year (2004) by special award of the Scientific Research Council jointly with the Bureau of Standards.

Dr. Stennett has been with the Group since May 2005 and she is responsible for the health and wellbeing of the dolphins, sharks, reptiles, and the large and small animals at its marine parks in addition to Prospect Adventure Park.

Dr. Ravidya Burrowes, Ph.D
Consultant Compliance Advisor on Environmental Matters

Dr. Burrowes has been practicing as an environmental consultant and project manager for almost 20 years and she has been the compliance advisor to the company since its inception. Dr. Burrowes holds a doctorate in Geology (2000, Postgraduate Scholarship, University of the West Indies), a Master of Science Degree in Physical Geography (1992, Overseas Development Administration Scholarship, University of London) and a Bachelor of Science Degree in Physical Geography and Geology (1991, Trinidad and Tobago National Scholarship, University of West Indies). She has been the principal investigator on environmental assessments in many countries in the Caribbean including Jamaica, Trinidad and Tobago, St. Kitts, St. Lucia, Guyana, Antigua & Barbuda, the Cayman Islands, Anguilla, the British Virgin Islands, Montserrat and Haiti. She has also managed multi-disciplinary technical teams on a wide range of environmental assessments for industrial estates, offshore oil and gas projects, housing complexes, resort developments and airport and port expansions.

Dr. Burrowes is the Managing Director of Environmental Management Consultants (Caribbean) Limited.

Marilyn Burrowes
Vice President of Marketing

Marilyn Burrowes is the Director of Marketing of the company and is responsible for advertising and public relations matters to do with the marine parks and its subsidiary. She also has oversight of merchandising at the marine park gift shops.

Mrs. Burrowes is responsible for the company's community affairs initiatives and its sponsorship of the Steer Town Basic School; Friends of St. Ann's Bay Hospital and support to Teen Challenge Ocho Rios, St. Ann.

Mrs. Burrowes has served eight years on the Board of the Tourism Product Development Company Limited (TPDCo) and is the chairperson of the Attractions Development sub-committee. She is the President of the Jamaica Attraction Association where she is now in her fourth term; A Director of the St. Ann Chamber of Commerce and is a Vice President of the Jamaica Hotel and Tourist Association.

Gary Robinson, FCCA
Financial Controller

Gary Robinson joined the team in 2013 as the company's Risk Management and Finance Officer. He was appointed in January 2014 as Financial Controller of Dolphin Cove Ltd and its subsidiaries.

Mr. Robinson is a graduate of the University of Technology and is a member of the Association of Chartered Certified Accountants. He has several years of experience in the field of auditing, accounting and finance and was employed to one of the top four accounting firms, as an external auditor, before serving as financial controller for companies in both the private and public sectors

Nicola Campbell, FCCA
Chief Accountant

Nicola Campbell is a Chartered Accountant and a member of the Institute of Chartered Accountants of Jamaica. She has been the chief accountant for the Group for the past decade.

Ms. Campbell is a graduate of the University of Technology and was previously employed to Guardsman Communications and the Students' Loan Bureau.

David Alexander Russell, B.S.BA
Vice President of Sales

David "Alexei" Russell has the responsibility of maximizing all land-based sales for Dolphin Cove in Jamaica. His duties also include promoting the brand and fostering and facilitating positive relationships with sales partners island wide.
Alexei Russell is a graduate of Boston University where he graduated Cum Laude with a Bachelors of Science in Business Administration. His minor was in Marketing.

Dacordie L. Vickers
Sales &Marketing Manager, Negril

Dacordie serves in the capacity of Sales and Marketing Manager charged with the responsibility of promoting Dolphin Cove to the Negril market.

He has over fourteen (14) years experience in the tourism industry spanning areas including night audit, front office, sales and customer service.

Paul Norman
Sales & Marketing Manager

Paul Norman is responsible for marketing Dolphin Cove and Prospect Plantation to the Jamaican market inclusive of schools, churches and the corporate sector. He is also charged with selling Dolphin Cove as a location for weddings and other events.

Previously, Mr. Norman worked in managerial positions in various companies and has over 21 years of experience in Operations and Sales. His former posts include Operations Supervisor at Tourwise Limited and Sales Manager at both Sandals Resorts International and Chukka Caribbean.

Mr. Norman was appointed to his current post in March 2012.

COMPANY DATA

Board of Directors

Stafford Burrowes, O.D., (Chairman)
Eduardo Albor
Noel D. Levy
The Hon. William A. McConnell, OJ, CD, JP, FCA, Hon. LLD
Travis Burke
Concepcion Esteban
Lorenzo Camara

Mentor

Richard Downer, CD, FCA

Audit Committee

The Hon. William A. McConnell
(Committee Chairman) (Non Executive Director)

Noel D. Levy
(Member) (Non Executive Director)

Richard Downer
(Member) (Mentor)

Remuneration Committee

The Hon. Raby Danvers (Danny) Williams
(Committee Chairman) (Non Executive Director)

Noel D. Levy
(Member) (Non Executive Director)

The Hon. William A. McConnell
(Member) (Non Executive Director)

Stafford Burrowes
(Member) (Executive Officer)

Richard Downer
(Member) (Mentor)

Company Secretary

Rhonda A. Goodison

Registered Office

Belmont, Ocho Rios, St. Ann

Telecommunications

Telephone:	(876) 974-5335
Fax:	(876) 974-9208
Website:	www.dolphincoveja.com
Email:	info@dolphincoveja.com

Registrar & Transfer Agent

Jamaica Central Securities Depository
Limited
40 Harbour Street
Kingston

External Auditors

KPMG, Chartered Accountants
Unit #14 Fairview Office Park
Alice Eldemire Drive
Montego Bay, St. James

Attorneys-at-Law

Myers Fletcher and Gordon
21 East Street
Kingston

Bankers

Sagicor Bank Limited,
Bank of Nova Scotia Jamaica Limited

DISCLOSURE OF SHAREHOLDINGS

MAJOR STOCK HOLDERS

		Shares Held
1.	World of Dolphins Inc	229,610,218
2.	Stafford Burrowes	43,352,699
3.	Garden House Holdings Limited	37,491,168
4.	Sagicor PIF Equity Fund	11,249,043
5.	JCSD Trustees Services Ltd. - Optima Sigma	9,952,376
6.	JCSD Trustees Services Ltd. - Sigma Venture	7,619,750
7.	St. Elizabeth Holdings Limited	5,000,000
8.	Ravers Limited	5,000,000
9.	JCSD Trustees Services Ltd. A/C# 76579-02	3,315,729
10.	ATL Group Pension Fund Trustees NOM Ltd	2,222,530

Total ordinary stocks in issue - 392,426,376
Total number of stockholders - 609

STOCKHOLDINGS OF DIRECTORS AND CONNECTED PERSONS

DIRECTORS	STOCKHOLDING	CONNECTED PERSONS	STOCKHOLDING
Stafford Burrowes	43,352,699	Garden House Holdings Ltd	37,491,168
The Hon. R. Danvers Williams	Nil	Ravers Ltd	5,000,000
The Hon. W.A. McConnell	Nil	St. Elizabeth Holdings Ltd	5,000,000
Noel D. Levy	1,000,000	Nil	Nil
Richard L. Downer	514,000	Nil	Nil

STOCKHOLDINGS OF SENIOR MANAGEMENT AND CONNECTED PERSONS

SENIOR MANAGEMENT	STOCKHOLDING	CONNECTED PERSONS	STOCKHOLDING
Stafford Burrowes	43,352,699	Garden House Holdings Ltd.	37,491,168
Dr. Mishka Stennett	3,000	Nil	Nil
Marilyn Burrowes	1,000,008	Stafford Burrowes	43,352,699
Gregory Burrowes	500,000	Nil	Nil

MANAGEMENT DISCUSSION & ANALYSIS

General Business Conditions

In 2015, the Jamaican tourism sector experienced an increase in stop over and cruise ship arrivals and reports are that the 2016 winter tourism season has had a good start as the Montego Bay airport has seen some increase in arrivals so far. There are however indicators of a decline in the number of visitors travelling from Canada.

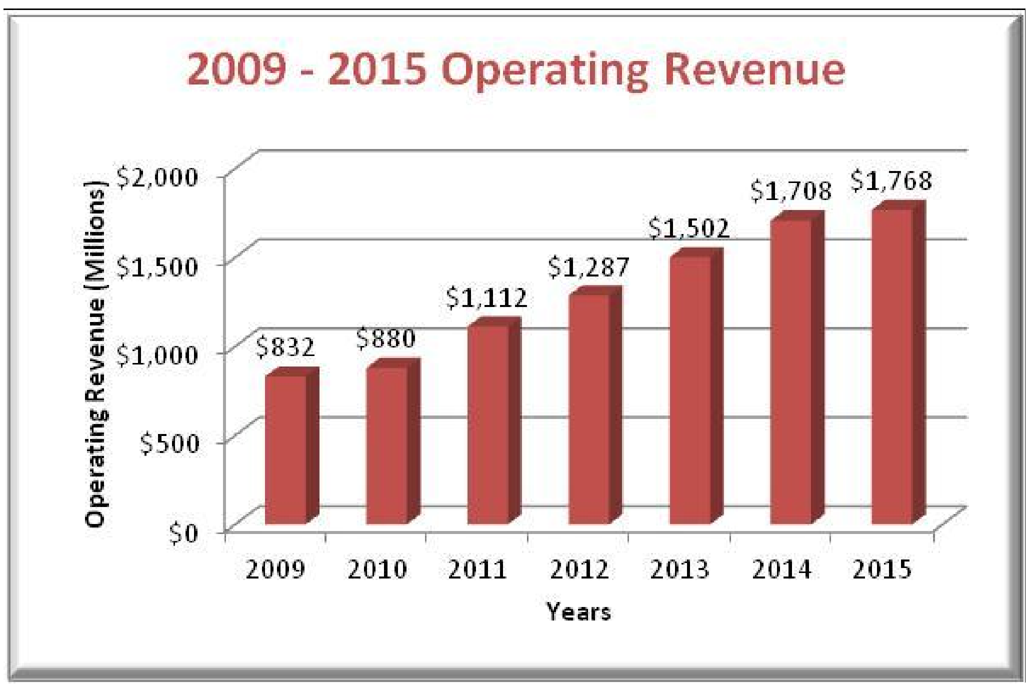
Management has focused on improving the parks' infrastructure in an effort to increasing the overall guest experience and by extension increasing revenue.

Group Financial Highlights - Audited Financial Statements: Year ended December 31, 2015

Statement of Profit & Loss & Other Comprehensive Income

REVENUE:
The company earns the vast majority of its income in United States dollars. Revenue from Dolphin Attractions is the primary revenue generating activity and involves the sale of dolphin, stingray and shark interaction programmes. The Group's sales also includes revenue from "Ancillary Services" which includes the sale of souvenirs, photographs, food and beverages and the use of its beach cabanas and tours such as kayaks, boat, dune buggy, horse, camel and Segway rides.

Overall, sales for the year ended December 31, 2015 increased by 4% to $1.77bn - highlighted by a 10% growth in Ancillary services revenue coupled with a marginal increase in revenue from Dolphin Attractions.



The increase in Ancillary Revenue is mainly due to the introduction of new products which served to boost sales. Though there was growth in Dolphin Attraction Revenue, the results were restricted by the delayed re-opening of the Moon Palace Hotel in addition to the few hotels that had temporarily closed a number of rooms for refurbishment/expansion. The Moon Palace Hotel, formerly Jamaica Grande, was closed for refurbishing in the third quarter of 2014 and re-opened almost a year later.

MANAGEMENT DISCUSSION & ANALYSIS

COST OF OPERATING REVENUE:

- The direct cost of dolphin attraction fell by 8% due to greater efficiencies in the delivery of the product while the cost of ancillary services increased by a lower percentage compared to the increase in its related revenue.

> ***Highlight**: Dolphin Cove continued to increase its overall revenue in 2015 while maintaining the same Gross profit margin (91%) which was achieved in 2014.*

OPERATING EXPENSES:

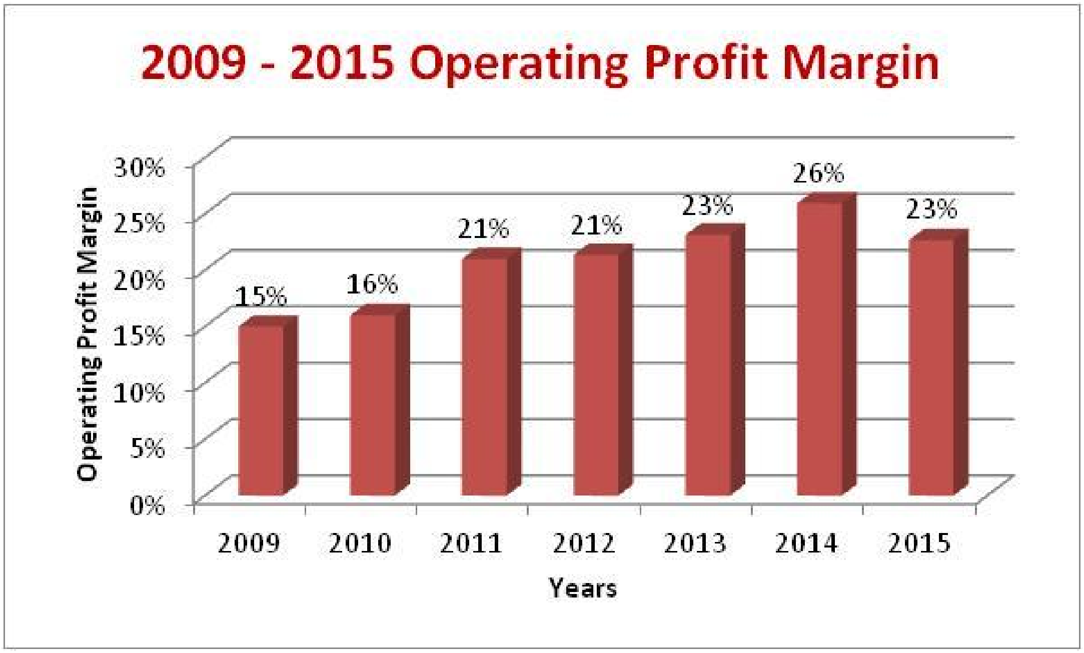
Increased by 11% ($117million) over 2014 mainly due to the following:

- Selling Expenses - increased marginally by 1% or $4million

- Other Operating Expenses
    - Increased by $56million (or 17%) due primarily to;
        - Increase in the cost of insurance and depreciation as a consequence of the revaluation in December 2014;
        - Additional depreciation on certain Equipment which were acquired in 2014 and 2015 and which attracted a higher rates of depreciation relative to the other group of assets.
        - Includes the impact of salary adjustments which were granted in the last quarter of 2014, which resulted in the overall salaries for the first nine months in 2015 being 6-7% higher than the 2014 comparative period.
- Administrative expenses increased by $57million or 23% due to:
    - The impact of the increase in administrative staff salaries in the last quarter of 2014;
    - One off cost relating to legal and professional services which were incurred from the change in majority ownership of the company in 2015.

Highlight: *2015 profits declined by $33million to $406million, an 8% decrease from 2014. Earnings per share amounted to 103.52 compared to 112.05 cents in the prior year. Operating Profit Margin was 23% in 2015 versus 26% for the prior year.*

MANAGEMENT DISCUSSION & ANALYSIS



Statement of Financial Position & Cash Flow

Significant Highlights:

- Shareholders net worth increased by $243million.
    - The Group reported profits for the year of $406million;
    - Offset by dividends declared of $177million;
    - Movements in other comprehensive income, mainly a translation adjustment on the consolidation of foreign subsidiaries of $14million.

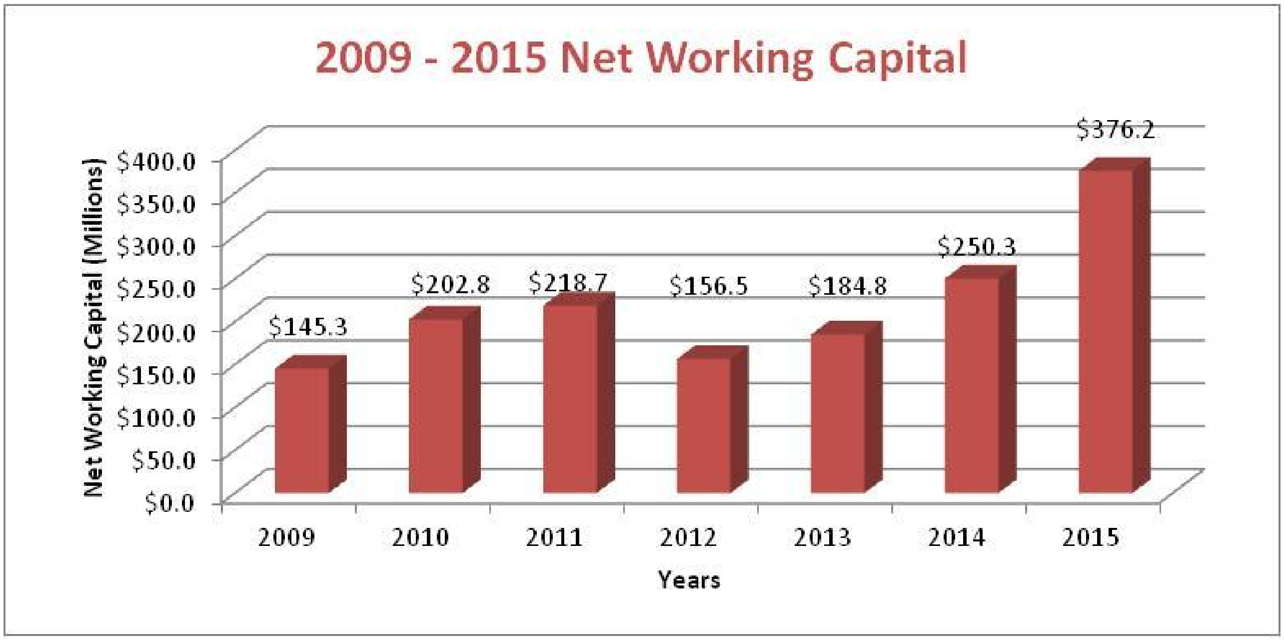
- Cash resources declined by $4million (or 2%) from 2014; significant reasons included:
    - Dividend paid of $235million, which included $58million which was declared and accrued in 2014;
    - Capital Expenditure pertaining to dolphin acquisition and the cost of local and overseas expansion projects - $142million;
    - Deposit of $24million (included in Accounts Receivable) relating to the acquisition of additional dolphins.

- $41million increase in short and long-term investments.

- Accounts receivable increased by $16million, which included the deposit on dolphins of $24million.

- No new loans were acquired during the financial year.

- Current assets exceeded obligations by $376million.



SEVEN YEAR STATISTICAL SUMMARY

SEVEN YEAR STATISTICAL SUMMARY							
	2009	2010	2011	2012	2013	2014	2015
OPERATING RATIOS							
Operating Revenue (millions)	$832	$880	$1,112	$1,287	$1,502	$1,708	$1,768
Gross Profit Margin	83%	83%	88%	88%	89%	91%	91%
Operating Profit Margin	15%	16%	21%	21%	23%	26%	23%
Pre-tax Profit Margin	13.2%	12.1%	18.3%	21%	23%	25%	23%
Pre-tax Return On Equity	13.3%	12.5%	20.1%	23%	26%	17%	15%
Interest Coverage (times)	7.8	6.4	10.2	14.5	17.1	15.1	25.1
BALANCE SHEET RATIOS							
Current Ratio	2.0	2.2	2.5	1.8	1.9	1.8	2.6
Net Working Capital (millions)	$145.3	$202.8	$218.7	$156.5	$184.8	$250.3	$376.2
Debt to Equity	0.2	0.4	0.2	0.1	0.2	0.1	0.1

AUDITORS' REPORT & FINANCIAL STATEMENTS

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KPMG
Chartered Accountants
Unit #14, Fairview Office Park
Alice Eldemire Drive
Montego Bay
Jamaica, W.I.

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Fax +1 (876) 684-9927
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INDEPENDENT AUDITORS' REPORT

To the Members of
DOLPHIN COVE LIMITED

Report on the Financial Statements

We have audited the financial statements, comprising the separate financial statements of Dolphin Cove Limited (the company) and the consolidated financial statements of the company and its subsidiaries (the group), set out on pages 28 to 75, which comprise the group's and the company's statements of financial position as at December 31, 2015, the group's and the company's statements of profit or loss, comprehensive income, changes in stockholders' 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 of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that 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

INDEPENDENT AUDITORS' REPORT

To the Members of
DOLPHIN COVE LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2015, and of the group's and the company's 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
Montego Bay, Jamaica

February 29, 2016

DOLPHIN COVE LIMITED

Group Statement of Financial Position
December 31, 2015

	Notes	2015	2014
CURRENT ASSETS			
Cash and cash equivalents		183,922,829	213,590,514
Securities purchased under resale agreements		162,424,403	124,035,021
Investments	3(a)	32,219,794	31,880,096
Accounts receivable	4	180,968,611	165,304,410
Taxation recoverable		7,853,311	7,853,311
Inventories	6	38,712,162	36,738,081
		606,101,110	579,401,433
NON-CURRENT ASSETS			
Investments	3(b)	19,311,712	16,680,300
Property, plant and equipment	8	2,218,872,625	2,149,897,273
Live assets	9	330,131,936	345,202,789
		2,568,316,273	2,511,780,362
TOTAL ASSETS		$3,174,417,383	3,091,181,795
CURRENT LIABILITIES			
Bank overdrafts	10	4,759,548	30,704,281
Accounts payable	11	129,769,834	142,866,230
Dividends payable		-	58,863,957
Current portion of long-term liabilities	13	95,127,504	96,707,504
Taxation payable		210,764	-
		229,867,650	329,141,972
NON-CURRENT LIABILITIES			
Deferred tax liability	12	75,941,494	83,107,651
Long-term liabilities	13	127,955,525	181,453,603
		203,897,019	264,561,254
STOCKHOLDERS' EQUITY			
Share capital	14	257,960,325	257,960,325
Capital reserves	15	1,340,980,355	1,327,460,401
Retained earnings		1,141,712,034	912,057,843
		2,740,652,714	2,497,478,569
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		$3,174,417,383	3,091,181,795

The financial statements on pages 28 to 75 were approved by the Board of Directors on February 29, 2016 and signed on its behalf by:

____________________ Director
Stafford Burrowes

____________________ Director
Eduardo Albor Villanueva

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

DOLPHIN COVE LIMITED

Group Statement of Profit or Loss
Year ended December 31, 2015

	Notes	2015	2014
OPERATING REVENUE			
Dolphin attraction revenue	16(a)	1,167,844,775	1,161,746,199
Less: Direct costs of dolphin attraction	17(a)	(72,867,274)	(79,266,238)
		1,094,977,501	1,082,479,961
Ancillary services revenue	16(b)	600,277,759	545,936,254
Less: Direct costs of ancillary services	17(b)	(87,814,172)	(76,353,512)
		512,463,587	469,582,742
Gross profit		1,607,441,088	1,552,062,703
Gain on disposal of property, plant and equipment		628,232	-
Live assets retired	9	(12,995,357)	(32,487,173)
Other income		838,269	1,234,540
		1,595,912,232	1,520,810,070
OPERATING EXPENSES	17(c)		
Selling		496,934,352	492,913,768
Other operations		394,636,149	338,208,470
Administrative		303,408,296	246,721,525
		1,194,978,797	1,077,843,763
Profit before finance income and costs		400,933,435	442,966,307
Finance income	18(a)	35,643,680	38,079,262
Finance costs	18(b)	(35,839,034)	(47,488,468)
Profit before taxation		400,738,081	433,557,101
Taxation credit	19	5,507,981	6,170,019
Profit for the year		$ 406,246,062	439,727,120
Earnings per stock unit	20	103.52¢	112.05¢

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

DOLPHIN COVE LIMITED

Group Statement of Comprehensive Income
Year ended December 31, 2015

	Notes	2015	2014
Profit for the year		406,246,062	439,727,120
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Surplus on revaluation of land and buildings	8	-	982,010,164
Deferred tax adjustment on revalued buildings	12	-	(51,776,896)
		-	930,233,268
Items that are or may be reclassified to profit or loss:			
Translation adjustment on consolidation of foreign subsidiaries	15	13,196,021	19,156,592
Fair value appreciation of available-for-sale investments	15	323,933	1,413,377
		13,519,954	20,569,969
Total other comprehensive income		13,519,954	950,803,237
Total comprehensive income		$419,766,016	1,390,530,357

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

DOLPHIN COVE LIMITED

Group Statement of Changes in Stockholders' Equity
Year ended December 31, 2015

	Share capital (note 14)	Capital reserves (note 15)	Retained earnings	Total
Balances as at December 31, 2013	257,960,325	376,657,164	707,786,551	1,342,404,040
Total comprehensive income:				
Profit for the year	-	-	439,727,120	439,727,120
Other comprehensive income:				
Surplus on revaluation of land and buildings	-	982,010,164	-	982,010,164
Deferred tax on revalued buildings	-	(51,776,896)	-	(51,776,896)
Translation adjustment on consolidation of foreign subsidiaries	-	19,156,592	-	19,156,592
Fair value appreciation of available-for-sale investments	-	1,413,377	-	1,413,377
	-	950,803,237	439,727,120	1,390,530,357
Transactions with owners of the company:				
Dividends (note 21)	-	-	(235,455,828)	(235,455,828)
Balances as at December 31, 2014	257,960,325	1,327,460,401	912,057,843	2,497,478,569
Total comprehensive income:				
Profit for the year	-	-	406,246,062	406,246,062
Other comprehensive income:				
Translation adjustment on consolidation of foreign subsidiaries	-	13,196,021	-	13,196,021
Fair value appreciation of available-for-sale investments	-	323,933	-	323,933
	-	13,519,954	406,246,062	419,766,016
Transactions with owners of the company:				
Dividends (note 21)	-	-	(176,591,871)	(176,591,871)
Balances as at December 31, 2015	$257,960,325	1,340,980,355	1,141,712,034	2,740,652,714

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

DOLPHIN COVE LIMITED

Group Statement of Cash Flows
Year ended December 31, 2015

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		406,246,062	439,727,120
Adjustments for:			
Depreciation and amortisation	8,9	84,512,778	59,709,206
Gain on disposal of property, plant and equipment		(628,232)	-
Live assets retired	9	12,995,357	32,487,173
Interest income	18(a)	(7,647,374)	(7,195,384)
Interest expense	18(b)	15,986,982	29,307,333
Impairment loss on trade receivables	4(c)	389,627	1,398,333
Taxation	19	(5,507,981)	(6,170,019)
		506,347,219	549,263,762
Changes in:			
Accounts receivable		(16,840,096)	(23,511,336)
Inventories		(1,974,081)	(5,807,049)
Accounts payable		(9,218,405)	11,714,396
Due from related parties		-	12,989,826
Cash generated from operations		478,314,637	544,649,599
Interest paid		(19,864,973)	(24,160,638)
Income tax paid		(1,447,412)	(1,637,891)
Net cash provided by operating activities		457,002,252	518,851,070
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		8,433,642	6,907,826
Securities purchased under resale agreements, net		(38,389,382)	(31,140,666)
Additions to property, plant and equipment	8	(112,535,558)	(115,064,611)
Proceeds from disposal of property, plant and equipment		4,051,565	-
Additions to live assets	9	(29,104,388)	(24,644,511)
Investments acquired		(2,647,177)	(16,737,424)
Net cash used by investing activities		(170,191,298)	(180,679,386)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term liabilities, net		(55,078,078)	(44,761,813)
Dividends paid		(235,455,828)	(176,591,871)
Net cash used by financing activities		(290,533,906)	(221,353,684)
Net (decrease)/increase in cash resources		(3,722,952)	116,818,000
Cash resources at beginning of the year		182,886,233	66,068,233
CASH RESOURCES AT END OF YEAR		$179,163,281	182,886,233
Comprising:			
Cash and cash equivalents		183,922,829	213,590,514
Bank overdrafts		(4,759,548)	(30,704,281)
		$179,163,281	182,886,233

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

DOLPHIN COVE LIMITED

Company Statement of Financial Position
December 31, 2015

	Notes	2015	2014
CURRENT ASSETS			
Cash and cash equivalents		183,922,829	174,204,166
Securities purchased under resale agreements		162,424,403	124,035,021
Investments	3(a)	32,219,794	31,880,096
Accounts receivable	4	180,916,111	165,251,910
Due from related parties	5(b)(i)	239,284	228,239
Taxation recoverable		7,767,962	7,767,962
Inventories	6	38,712,162	36,738,081
		606,202,545	540,105,475
NON-CURRENT ASSETS			
Investment in subsidiaries	7	33,248,714	33,248,714
Investments	3(b)	19,311,712	16,680,300
Property, plant and equipment	8	845,484,618	791,373,223
Live assets	9	329,806,035	344,846,119
Due from subsidiaries	5(b)(ii)	494,128,807	486,998,814
		1,721,979,886	1,673,147,170
TOTAL ASSETS		$2,328,182,431	2,213,252,645
CURRENT LIABILITIES			
Bank overdrafts	10	4,759,548	30,704,281
Accounts payable	11	120,495,045	130,175,636
Dividends payable		-	58,863,957
Due to subsidiaries	5(b)(i)	28,472	28,472
Current portion of long-term liabilities	13	95,127,504	96,707,504
Taxation payable		210,764	-
		220,621,333	316,479,850
NON-CURRENT LIABILITIES			
Deferred tax liability	12	75,941,494	83,107,651
Long-term liabilities	13	127,955,525	181,453,603
		203,897,019	264,561,254
STOCKHOLDERS' EQUITY			
Share capital	14	257,960,325	257,960,325
Capital reserves	15	475,575,422	475,251,489
Retained earnings		1,170,128,332	898,999,727
		1,903,664,079	1,632,211,541
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		$2,328,182,431	2,213,252,645

The financial statements on pages 28 to 75 were approved by the Board of Directors on February 29, 2016 and signed on its behalf by:

____________________ Director
Stafford Burrowes

____________________ Director
Eduardo Albor Villanueva

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

DOLPHIN COVE LIMITED

Company Statement of Profit or Loss
Year ended December 31, 2015

	Notes	2015	2014
OPERATING REVENUE			
Dolphin attraction revenue	16(a)	1,167,844,775	1,161,746,199
Less: Direct costs of dolphin attraction	17(a)	(72,867,274)	(79,266,238)
		1,094,977,501	1,082,479,961
Ancillary services revenue	16(b)	600,277,759	545,936,254
Less: Direct costs of ancillary services	17(b)	(87,814,172)	(76,353,512)
		512,463,587	469,582,742
Gross profit		1,607,441,088	1,552,062,703
Gain on disposal of property, plant and equipment		628,232	-
Live assets retired	9	(12,995,357)	(32,487,173)
Dividend income		-	100,000,000
Other income		838,269	1,234,540
		1,595,912,232	1,620,810,070
OPERATING EXPENSES	17(c)		
Selling		500,608,360	490,549,682
Other operations		382,050,266	328,825,144
Administrative		322,795,357	262,102,281
		1,205,453,983	1,081,477,107
Profit before finance income and costs		390,458,249	539,332,963
Finance income	18(a)	87,234,122	88,371,466
Finance costs	18(b)	(35,479,876)	(46,394,473)
Profit before taxation		442,212,495	581,309,956
Taxation credit/(charge)	19	5,507,981	1,809,876
Profit for the year		$ 447,720,476	583,119,832

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

DOLPHIN COVE LIMITED

Company Statement of Comprehensive Income
Year ended December 31, 2015

	Notes	2015	2014
Profit for the year		447,720,476	583,119,832
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Revaluation of land and buildings	8	-	375,507,584
Deferred tax on revalued buildings	12	-	(51,776,896)
		-	323,730,688
Items that are or may be reclassified to profit or loss:			
Fair value appreciation of available-for-sale investments	15	323,933	1,413,377
Total other comprehensive income		323,933	325,144,065
Total comprehensive income		$448,044,409	908,263,897

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

DOLPHIN COVE LIMITED

Company Statement of Changes in Stockholders' Equity
Year ended December 31, 2015

	Share capital (note 14)	Capital reserves (note 15)	Retained earnings	Total
Balances as at December 31, 2013	257,960,325	150,107,424	551,335,723	959,403,472
Total comprehensive income:				
Profit for the year	-	-	583,119,832	583,119,832
Other comprehensive income:				
Revaluation of land and buildings	-	375,507,584	-	375,507,584
Deferred tax on revalued buildings	-	(51,776,896)	-	(51,776,896)
Fair value appreciation of available-for-sale investments	-	1,413,377	-	1,413,377
Total comprehensive income	-	325,144,065	583,119,832	908,263,897
Transactions with owners of the company:				
Dividends (note 21)	-	-	(235,455,828)	(235,455,828)
Balances as at December 31, 2014	257,960,325	475,251,489	898,999,727	1,632,211,541
Total comprehensive income:				
Profit for the year	-	-	447,720,476	447,720,476
Other comprehensive income:				
Fair value appreciation of available-for-sale investments	-	323,933	-	323,933
Total comprehensive income	-	323,933	447,720,476	448,044,409
Transactions with owners of the company:				
Dividends (note 21)	-	-	(176,591,871)	(176,591,871)
Balances as at December 31, 2015	$257,960,325	475,575,422	1,170,128,332	1,903,664,079

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

DOLPHIN COVE LIMITED

Company Statement of Cash Flows
Year ended December 31, 2015

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		447,720,476	583,119,832
Adjustments for:			
Depreciation and amortisation	8,9	73,186,805	51,842,110
Live assets retired	9	12,995,357	32,487,173
Gain on disposal of property, plant and equipment		(628,232)	-
Dividend income		-	(100,000,000)
Interest income	18(a)	(37,077,977)	(29,781,396)
Interest expense	18(b)	15,627,824	29,307,333
Impairment loss on trade receivables	4(c)	389,627	203,942
Taxation	19	(5,507,981)	(1,809,876)
		506,705,899	565,369,118
Change in:			
Accounts receivable		(16,840,096)	(54,231,315)
Inventories		(1,974,081)	(13,387,271)
Accounts payable		(5,802,600)	19,863,248
Due from related parties		(11,045)	12,761,587
Cash generated from operations		482,078,077	530,375,367
Interest paid		(19,505,815)	(24,160,638)
Income tax withheld		(1,447,412)	(1,604,932)
Net cash provided by operating activities		461,124,850	504,609,797
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		37,864,245	29,493,838
Securities purchased under resale agreements, net		(38,389,382)	(31,140,666)
Additions to property, plant and equipment	8	(99,572,418)	(104,048,633)
Proceeds from disposal of property, plant and equipment		4,051,565	-
Additions to live assets	9	(29,104,388)	(24,644,511)
Dividends received		-	100,000,000
Due from subsidiaries		(7,129,993)	(123,805,354)
Investments acquired		(2,647,177)	(16,737,424)
Net cash used by investing activities		(134,927,548)	(170,882,750)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term liabilities, net		(55,078,078)	(44,761,813)
Dividends paid		(235,455,828)	(176,591,871)
Net cash used by financing activities		(290,533,906)	(221,353,684)
Net increase in cash resources		35,663,396	112,373,363
Cash resources at beginning of the year		143,499,885	31,126,522
CASH RESOURCES AT END OF YEAR		$179,163,281	143,499,885
Comprising:			
Cash and cash equivalents		183,922,829	174,204,166
Bank overdrafts		(4,759,548)	(30,704,281)
		$179,163,281	143,499,885

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

1. Corporate structure and principal activities

(a) Dolphin Cove Limited (the company) is incorporated and domiciled in Jamaica and its registered office and principal place of business is located at Belmont Road, Ocho Rios, St. Ann, Jamaica, W.I.

The principal activities of the company are the operation of a tourist attraction comprising dolphin programmes and ancillary operations such as restaurants, gift and video shops at several locations.

During the year, the company opened a new "Dolphinarium" at Moon Palace, Ocho Rios and now offers dune buggy tours at its Propect location since 2014 (see also description of reportable segments at note 22).

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 21, 2010.

(b) The company and its wholly-owned subsidiaries, as listed below, are collectively referred to as "the group".

(i) Dolphin Cove (Negril) Limited was incorporated in Jamaica, on May 11, 2010, and commenced operations in September 2010. Its principal place of business is located at Point, Lucea, Hanover, Jamaica W.I. where it offered dolphin programmes and ancillary operations similar to that of the company. However, effective January 1, 2014, the company assumed its operations. Dolphin Cove (Negril) Limited continues to own the real estate in Hanover which is no w leased to the company.

(ii) Too Cool Limited is incorporated in the Cayman Islands and owns land and buildings from which the company operates.

(iii) Cheshire Hall Limited was incorporated on June 22, 2012 as a St. Lucian International Business Company (IBC), controlled by the company through a deed. Its wholly-owned subsidiary, DCTCI Limited was incorporated in the Turks and Caicos Islands and owns land on which the group intends to develop an attraction.

(iv) Balmoral Dolphins Limited is a St. Lucian IBC, incorporated on April 5, 2012. Its wholly-owned subsidiary, Dolphin Cove TCI Limited, was incorporated in the Turks & Caicos Islands for the intended purpose of operating the attraction to be developed by DCTCI Limited.

(v) SB Holdings Limited was incorporated on November 4, 2013, as a St. Lucian IBC. Its wholly-owned subsidiary, Marine Adventure Park Limited, was also incorporated in St. Lucia and purchased land in St. Lucia on which the group intends to develop an attraction.

(c) On November 18, 2015, World of Dolphins Inc. ("parent company"), incorporated in Barbados, acquired 229,610,218 shares in the company or 58.51% of its issued share capital, from a majority shareholder.

1. Corporate structure and principal activities (cont'd)

(d) World of Dolphins, Inc. is a subsidiary of Controladora Dolphin SA de C.V. (intermediate holding company), which is in turn a subsidiary of Dolphin Capital Company, S. de RL de C.V. (ultimate holding company), referred to as the "Dolphin Discovery Group". Both companies are incorporated in Mexico.

(e) On December 18, 2015, the parent company made a follow-up offer, expiring on January 8, 2016, to purchase all the remaining shares of the company, with the intention of not increasing its shareholdings beyond 79.99%. The offer was accepte d by 110 shareholders tendering 48,815,711 ordinary shares or 12.44% of the issued share capital of the company. In addition, one of the lockout shareholders sold a further 35,475,929 shares to the parent company, at the offer price of US$0.1338 per share.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

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

Certain new, revised and amended standards and interpretations came into effect during the current financial year. Management has assessed that the following may have been relevant:

- *Improvements to* IFRS *2010-2012 and 2011-2013* cycles contain amendments to certain standards and interpretations, the main amendments applicable to the Group 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 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets.* The standards have been amended to clarify that, at the date of revaluation:

    (i) the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation (amortisation) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking account of accumulated impairment losses or;

    (ii) the accumulated depreciation (amortisation) is eliminated against the gross carrying amount of the asset.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

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

- *Improvements to* IFRS *2010-2012 and 2011-2013* cycles (cont'd)

  - 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 adoption of these amendments did not result in any change to the presentation and disclosures in these financial statements.

New, revised and amended standards and interpretations issued but not yet effective:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year 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 the group's operations and has determined that the following are likely to have an effect on the consolidated financial statements.

- IAS 1 *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:

  - specific single disclosures that are not material do not have to be presented even if they are the minimum requirement of a standard;
  - the order of notes to the financial statements is not prescribed;
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirement for the statement of profit or loss and OCI; and
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

New, revised and amended standards and interpretations issued but 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.

- Amendments to IAS 27 *Equity Method in Separate Financial Statements*, 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.

- 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 accounting 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*.

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures*, effective for accounting periods beginning on or after January 1, 2016, have been amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss. IFRS 10 was amended to confirm that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. An investment entity shall measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. IAS 28 was amended to provide an exemption from applying the equity method for investment entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 was amended to clarify that the relevant disclosure requirements in the standard apply to an investment entity in which all of its subsidiaries are measured at fair value through profit or loss.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

New, revised and amended standards and interpretations issued but 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 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 (Amendment 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 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.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- 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 re-measured.

- IFRS 15 *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, 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.* 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.

  The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

- IFRS 9 *Financial Instruments,* which is effective for accounting 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.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- IFRS 16 *Leases,* which is effective for accounting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

  Early adoption is permitted if IFRS 15 *Revenue from Contracts with Customers* is also adopted.

The group is assessing the impact, if any, that the foregoing standards and amendments to standards will have on its financial statements when they are adopted.

(b) Basis of preparation and functional currency:

The financial statements are prepared on the historical cost basis, modified for the inclusion of land and buildings at valuation [note 2(d)(ii)] and available-for-sale investments at fair value [note 2(i)], except for those for which a reliable measure of fair value was not available.

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the company.

(c) Going concern:

The preparation of the financial statements in accordance with IFRS assumes that the group will continue in operation for the foreseeable future. This means, in part, that the statements of profit or loss and comprehensive income and the statement of financial position assume no intention or necessity to liquidate or curtail operations. This is commonly referred to as the going concern basis. Management believes that the preparation of the financial statements on the going concern basis continues to be appropriate.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts could differ from these estimates.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(d) Use of estimates and judgements (cont'd):

The estimates and underlying assumptions are reviewed on an ongoing basis.

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) Allowance for 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, due to default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows.

(ii) Fair value of land and buildings:

Land and buildings are revalued annually to fair market value at each reporting date. These valuations are conducted periodically by independent professional valuators, using recent selling prices of comparable properties.

However, as no two properties are exactly alike, adjustments are made to reflect differences between properties. Consequently, the determination of fair market value of the property requires that the valuers analyse the differences in relation to age and physical condition, time of sale, land to building ratio, the advantages and disadvantages of the location and other functional gains to be derived from the property, and make necessary adjustments.

For further information in respect of the determination of fair values and the assumptions made see notes 8(a) and 24(c).

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

(e) Basis of consolidation:

The consolidated financial statements include the separate financial statements of the company and its subsidiaries (note 1), made up to December 31, 2015. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(i) Subsidiaries:

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

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

(ii) Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(f) Foreign currencies:

(i) Foreign currency transactions and balances:

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the rates of exchange at the reporting date. Non - monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Transactions in foreign currencies are converted to the functional currency at the rates of exchange ruling at the dates of those transactions. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Gains and losses arising from fluctuations in exchange rates are generally included in profit or loss. However, foreign currency differences arising from the translation of available-for-sale equity investments are recognised in other comprehensive income, except on impairment, in which case the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss.

(ii) Foreign operations:

The assets and liabilities of foreign operations are translated into the company's functional currency at exchange rates at the reporting date. The income and expenses for foreign operations are translated into the company's presentation currency at exchange rates at the date of those transactions. These foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Foreign exchange gains or losses arising on a monetary item receivable from or payable to a foreign operation are recognised in the consolidated financial statements in other comprehensive income and presented within equity in the foreign currency translation reserve. In the separate financial statements of the company, these foreign exchange gains or losses are recognised in profit or loss.

(g) Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and at bank incl uding short-term deposits, where the original maturities of such deposits do not exceed three months.

Bank overdrafts that are repayable on demand and form an integral part of the group's cash management activities, are included as a component of net cash resources for the purpose of the statements of cash flows.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(h) Securities purchased under resale agreements:

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

(i) Investments:

Investments are classified as loans and receivables or available-for-sale. Loans and receivables are those that have a fixed or determinable payment and which are not quoted in an active market. Loans and receivables investments are initially measured at cost and subsequently at amortised cost, calculated on the effective interest rate method, less impairment losses.

Available-for-sale investments are initially recognised at cost and subsequently at fair value where a quoted market price is available in an active market. Any resultant gain or loss is recognised in investment revaluation reserve through other comprehensive income. This is done until the investment is sold or otherwise disposed of, or when the carrying amount of the investment is judged to be impaired, at which time the cumulative gain or loss previously recognised in investment revaluation reserve is transferred to profit or loss.

Fair value is measured at the quoted bid market price at the reporting date. Where quoted market price is not available in an active market, available-for-sale investments are shown at cost.

Investments are recognised/derecognised on the trade date.

(j) Accounts receivable:

Accounts receivable comprising trade and other receivables are stated at amortised cost, less impairment losses.

(k) Related parties:

A related party is a person or company that is related to the company that is preparing its

financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity, in this case the company").

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

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

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(k) Related parties (cont'd):

(b) A company is related to a reporting entity if any of the following conditions applies:

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

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

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

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

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

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

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

(c) A related party transaction involves transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(l) Inventories:

Inventories are stated at the lower of cost, determined on the weighted average basis, and net realisable value.

(m) Property, plant and equipment:

(i) Recognition and measurement:

Land and buildings are stated at valuation, less subsequent depreciation. All other categories of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Any revaluation increase arising on the revaluation of land and buildings is credited to capital reserves through other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in capital reserve relating to a previous revaluation of such assets.

On a sale or retirement of the revalued asset, the attributable revaluation surplus remaining in unrealised capital reserve is transferred directly to realised reserve.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(m) Property, plant and equipment (cont'd):

(i) Recognition and measurement (cont'd):

Cost includes expenditures that are attributable to the acquisition of the asset. 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 benefit embodied within the part will flow to the group and its cost can be measured reliably.

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

The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service. Borrowing costs, including but not limited to, interest on borrowings and exchange differences arising on such borrowings, that are directly attributable to the acquisition and/or construction of a qualifying asset are capitalised as part of the cost of that asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. Thereafter, borrowing costs are recognised in profit or loss when they are incurred.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the group.

(iii) Depreciation:

Depreciation is recognised in profit or loss on the straight-line basis computed at annual rates estimated to write down the assets to their estimated residual values over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	40 years
Leasehold improvements	10 years
Furniture, fixtures and equipment	10 years
Computers	5 years
Motor vehicles	5 years
Dune buggies	3 years

No depreciation is charged on land and capital work-in-progress.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(n) Live assets:

This comprises the carrying value of dolphins and other marine life, as well as birds and animals capitalised. These assets are stated at cost less amortisation over periods not exceeding fifteen years.

Costs relating to dolphins that are leased are capitalised and amortised over the shorter of the lease term and their useful lives.

(o) Accounts payable:

Trade and other payables are stated at amortised cost.

(p) Provisions:

A provision is recognised 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 the amount can be estimated reliably. 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 obligation.

(q) Interest bearing borrowings:

Interest bearing borrowings are recognised initially at cost. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective interest basis.

(r) Share capital and dividends:

Ordinary shares are classified as equity and carried at cost. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(s) 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 exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(s) Impairment (cont'd):

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

(i) Calculation of recoverable amounts:

The recoverable amount of the company's 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 net selling price 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 receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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

In respect of other assets, an impairment loss is reversed if there has been a change in the estimate 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.

(t) Revenue recognition:

(i) Rendering of services:

Revenue from the provision of services is recognised when the service has been provided to customers.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(t) Revenue recognition (cont'd):

(ii) Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Finance income:

Finance income comprises interest earned on funds invested and foreign exchange gains recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(u) Employee benefits:

Employee benefits include current or short-term benefits such as salaries, statutory contributions paid, annual vacation leave and non-monetary benefits such as medical care and housing. Short-term employee benefits are recognised as a liability, net of payments made, and charged as expenses. The expected cost of vacation leave that accumulates is recognised over the period that the employees become entitled to the leave.

(v) Expenses:

(i) Expenses:

Expenses are recognised on the accrual basis.

(ii) Finance costs:

Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses and bank related charges.

(iii) Operating lease payments:

Payments under leases are recognised in profit or loss on the straight-line basis over the term of the lease.

(w) Income taxes:

(i) Current tax:

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 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.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(w) Income taxes (cont'd):

(ii) Deferred tax:

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 liability is recognised for taxable temporary differences, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

(x) 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 and for which discrete financial information is available. The identification of operating segments is based on the group's management and internal reporting structure. An operating segment's operating results are reviewed regularly by the Executive Chairman to make decisions about resources to be allocated to the segment and assess its performance. Segment results that are reported to the Executive Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The segments which do not qualify as reportable segments are combined and disclosed as other segments. Segment information is presented in respect of the geographical locations of the group's strategic business segments.

(y) Financial instruments:

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

For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements, investments, accounts receivable and related party receivables. Similarly, financial liabilities include bank overdrafts, accounts payable, long-term liabilities and related party payables.

(z) Fair value measurement:

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

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(z) Fair value measurement (cont'd):

When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, valuation techniques are used that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted market price (unadjusted) in an active market for identical assets or liabilities.
- Level 2 – Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

3. Investments

	The Group and the Company	
	2015	2014
(a) Current:		
Available-for-sale:		
Scotia Investments Limited:		
Scotia Canadian Growth Fund		
[US$267,143 (2014: US$277,232)]	31,961,454	31,637,521
Loans and receivables:		
Fixed deposits		
[US$2,125 (2014: US$2,125)]	258,340	242,575
	$32,219,794	31,880,096

Available-for-sale investments are carried at fair value and were determined using level 2 inputs.

3. Investments (cont'd)

	The Group and the Company	
	2015	2014
(b) Non-current:		
Loans and receivables:		
Investment note 2016 [US$150,000 (2014: US$148,950]	$19,311,712	16,680,300

4. Accounts receivable

	The Group		The Company	
	2015	2014	2015	2014
Trade receivables (a)	158,728,793	174,429,107	151,138,761	166,839,074
Other receivables (b)	65,462,274	33,708,132	65,409,773	33,655,632
	224,191,067	208,137,239	216,548,534	200,494,706
Less: Allowance for impairment (c)	(43,222,456)	(42,832,829)	(35,632,423)	(35,242,796)
	$180,968,611	165,304,410	180,916,111	165,251,910

(a) The aging of trade receivables and related impairment was:

	The Group			
	2015		2014	
	Gross	Impairment	Gross	Impairment
Due 0-30 days	98,882,673	-	89,155,962	-
Past due 31-60 days	9,861,415	-	16,875,743	-
Past due 61–90 days	2,757,504	-	5,427,533	-
More than 90 days	47,227,201	43,222,456	62,969,869	42,832,829
Total	$158,728,793	43,222,456	174,429,107	42,832,829

	The Company			
	2015		2014	
	Gross	Impairment	Gross	Impairment
Due 0-30 days	98,882,673	-	89,155,962	-
Past due 31-60 days	9,861,415	-	16,875,743	-
Past due 61–90 days	2,757,504	-	5,427,533	-
More than 90 days	39,637,169	35,632,423	55,379,836	35,242,796
Total	$151,138,761	35,632,423	166,839,074	35,242,796

(b) Other receivables include:

(i) Amounts due from related parties aggregating $6,466,453 (2014: $Nil) for the group and the company.

(ii) Deposits of $24,100,000 (US$200,025) [2014: $Nil], for the group and the company, in respect of the acquisition of four (4) dolphins from its parent company [note 23(b)].

4. Accounts receivable (cont'd)

(c) The movement in the allowance for impair ment in respect of trade receivables during the year was as follows:

	The Group		The Company	
	2015	2014	2015	2014
Balance at beginning of year	42,832,829	41,434,496	35,242,796	35,038,854
Impairment loss recognised in profit or loss	389,627	1,398,333	389,627	203,942
Balance at end of year	$43,222,456	42,832,829	35,632,423	35,242,796

The creation and release of provisions for impaired receivables have been included in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

There were no financial assets other than those listed above that were individually impaired.

5. Related party balances and transactions

(a) Identity of related parties:

The company has related party relationships with its parent company, its holding companies, subsidiaries, fellow subsidiaries, its directors and key management personnel.

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

(i) Due from/to related parties/subsidiaries - current:

This comprises amounts due from/to subsidiaries which are unsecured, interest-free and repayable on demand.

(ii) Due from subsidiaries - non-current:

		The Company	
		2015	2014
Dolphin Cove (Negril) Limited: 10% US$ loan [US$1,544,551 (2014: US$1,877,996)]	(a)	184,793,039	214,315,547
DCTCI Limited: 3.5% US$ loan [US$1,695,943 (2014: US$1,540,882)]	(b)	203,008,769	175,844,407
Marine Adventure Park Limited 3.5% US$ loan [US$888,710 (2014: US$848,576)]	(b)	106,326,999	96,838,860
		$494,128,807	486,998,814

5. Related party balances and transactions (cont'd)

(b) (Cont'd):

(ii) Due from subsidiaries – non-current (cont'd):

(a) This loan bears interest at 10% per annum, is unsecured and has no fixed repayment terms. However, the company's intent is not to require repayment within 12 months of the reporting date.

(b) These balances materially comprise advances for the purchase of property and expenses incurred so far in respect of the proposed developments in St. Lucia and the Turks & Caicos Islands [note 8(c)]. These loans, along with additional advances during the year, are unsecured, bear interest at 3.5% per annum and have no fixed repayment terms. However, the company's intent is not to require repayment within 12 months of the reporting date.

Other related party balances are disclosed in notes 4(b) and 7.

(c) Profit or loss includes the following (income)/expense transactions with related parties in the ordinary course of business (not disclosed elsewhere).

	The Group		The Company	
	2015	2014	2015	2014
	$	$	$	$
Rental paid to a subsidiary	-	-	20,781,341	17,308,862
Inventory bought from a subsidiary	-	-	-	7,580,222
Interest earned from subsidiaries [note 5(b)]	-	-	29,430,603	22,692,327

Other related party transactions are disclosed in note (d) below and note 23(a).

(d) Key management personnel compensation:

	The Group and the Company	
	2015	2014
	$	$
Directors' emoluments:		
Fees	8,491,196	9,331,200
Management	39,167,566	25,679,659
Key management personnel compensation*	28,388,521	24,440,202

* Key management personnel compensation is included in staff costs [note 17(e)].

Directors of the company and entities under their control hold approximately 82% (2014: 82%) of the voting stock units of the company [see note 1(c)].

6. Inventories

	The Group and the Company 2015	The Group and the Company 2014
Items for resale	35,174,088	34,557,079
Dolphin food	4,872,140	3,494,438
	40,046,228	38,051,517
Less: Allowance for impairment	(1,334,066)	(1,313,436)
	$38,712,162	36,738,081
Inventories charged to expenses during the year	$31,453,369	31,150,254

7. Investment in subsidiaries

This represents the cost of the company's 100% interest in the shares of its subsidiaries [note 1(b)].

	2015	2014
Dolphin Cove (Negril) Limited	100,002	100,002
Too Cool Limited	33,120,240	33,120,240
Cheshire Hall Limited	8,950	8,950
Balmoral Dolphins Limited	8,950	8,950
SB Holdings Limited	10,572	10,572
	$33,248,714	33,248,714

8. Property, plant and equipment

	The Group					
	Land and buildings	Leasehold improvements	Furniture, fixtures, computers & equipment	Motor vehicles & dune buggies	Capital work-in-progress	Total
Cost or valuation:						
December 31, 2013	766,286,462	2,335,388	162,698,115	20,207,064	233,654,714	1,185,181,743
Additions	8,772,947	1,061,930	41,726,940	34,424,819	29,077,975	115,064,611
Translation adjustment	-	-	-	-	19,156,592	19,156,592
Revaluation adjustment	944,501,096	-	-	-	-	944,501,096
December 31, 2014	1,719,560,505	3,397,318	204,425,055	54,631,883	281,889,281	2,263,904,042
Additions	23,136,940	6,988,938	53,602,372	15,690,362	13,116,946	112,535,558
Disposal	-	-	-	(9,593,660)	-	(9,593,660)
Translation adjustment	-	-	-	-	13,196,021	13,196,021
Transfer	-	273,594	15,653,746	-	(15,927,340)	-
December 31, 2015	1,742,697,445	10,659,850	273,681,173	60,728,585	292,274,908	2,380,041,961
Depreciation:						
December 31, 2013	29,271,023	1,175,119	80,570,843	10,685,953	-	121,702,938
Charge for the year	8,238,045	194,070	17,056,247	4,324,537	-	29,812,899
Revaluation adjustment	(37,509,068)	-	-	-	-	(37,509,068)
December 31, 2014	-	1,369,189	97,627,090	15,010,490	-	114,006,769
Charge for the year	17,162,953	584,080	21,402,100	14,183,761	-	53,332,894
Eliminated on disposal	-	-	-	(6,170,327)	-	(6,170,327)
December 31, 2015	17,162,953	1,953,269	119,029,190	23,023,924	-	161,169,336
Net book values:						
December 31, 2015	$1,725,534,492	8,706,581	154,651,983	37,704,661	292,274,908	2,218,872,625
December 31, 2014	$1,719,560,505	2,028,129	106,797,965	39,621,393	281,889,281	2,149,897,273

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

	The Company					
	Land and buildings	Leasehold improvements	Furniture, fixtures, computers & equipment	Motor vehicles & dune buggies	Capital work-in-progress	Total
Cost or valuation:						
December 31, 2013	274,751,142	2,335,388	136,131,943	16,683,660	-	429,902,133
Additions	8,772,947	2,359,358	41,726,940	34,424,819	16,764,569	104,048,633
Revaluation adjustment	357,058,711	-	-	-	-	357,058,711
December 31, 2014	640,582,800	4,694,746	177,858,883	51,108,479	16,764,569	891,009,477
Additions	23,136,940	6,988,938	53,602,372	15,690,363	153,805	99,572,418
Disposal	-	-	-	(9,593,660)	-	(9,593,660)
Transfer	-	273,594	15,653,746	-	(15,927,340)	-
December 31, 2015	663,719,740	11,957,278	247,115,001	57,205,182	991,034	980,988,235
Depreciation:						
December 31, 2013	14,534,829	1,175,119	72,061,591	8,337,017	-	96,108,556
Charge for the year	3,914,044	194,070	14,248,601	3,619,856	-	21,976,571
Revaluation adjustment	(18,448,873)	-	-	-	-	(18,448,873)
December 31, 2014	-	1,369,189	86,310,192	11,956,873	-	99,636,254
Charge for the year	9,145,184	584,080	18,594,452	13,713,974	-	42,037,690
Eliminated on disposals	-	-	-	(6,170,327)	-	(6,170,327)
December 31, 2015	9,145,184	1,953,269	104,904,644	19,500,520	-	135,503,617
Net book values:						
December 31, 2015	$654,574,556	10,004,009	142,210,357	37,704,662	991,034	845,484,618
December 31, 2014	$640,582,800	3,325,557	91,548,691	39,151,606	16,764,569	791,373,223

(a) The group's land and buildings were revalued as at December 31, 2014 on an open market basis by Easton Douglas & Company Limited (Chartered Valuation Surveyors and Real Estate Dealers of Kingston, Jamaica). The directors have determined that the estimated market value of these land and buildings as at the reporting date are not materially different from their carrying values.

This fair value was determined using level 3 fair value measur ements as the valuation model used both observable and unobservable inputs and the unobservable inputs are considered significant to the fair value measurement [see also note 2(d)(ii)].

The surpluses arising on revaluation are recognised in other comprehensive income and included in capital reserves (note 15).

(b) Land and buildings include land at a valuation of $1,195,100,384 (2014: $1,195,100,384) for the group and $290,000,000 (2014: $290,000,000) for the company.

(c) Capital work-in-progress includes land, at a cost of US$1,850,000 (2014: US$1,850,000), and related expenditure incurred in connection with the planned development of an attraction in the Turks and Caicos Islands and St. Lucia [note 1(b)(iii) and (v)].

In the prior year, this also included an asset, costing approximately $15 million, which was installed and brought into use during the current year.

(d) As at December 31, 2015, properties with a carrying value of approximately $1 billion (2014: $1 billion) were subject to registered mortgages and debentures that forms security for certain bank loans [see note 13(a)].

(e) During the year, management reviewed the estimated useful life of its dune buggies and determined that a decrease to 3 years from 5 years was necessary given their current usage. The effect on profit or loss for the year was an increase in depreciation charge of approximately $2.8 million.

9. Live assets

	The Group		
	Dolphin costs	Other animals	Total
Cost:			
December 31, 2013	429,804,068	10,409,714	440,213,782
Additions	23,977,078	667,433	24,644,511
Disposals	(36,097,135)	-	(36,097,135)
December 31, 2014	417,684,011	11,077,147	428,761,158
Additions	25,520,000	3,584,388	29,104,388
Retirement	(15,310,173)	-	(15,310,173)
December 31, 2015	427,893,838	14,661,535	442,555,373
Amortisation:			
December 31, 2013	52,245,714	5,026,310	57,272,024
Charge for the year	29,206,233	690,074	29,896,307
Eliminated on retirement	(3,609,962)	-	(3,609,962)
December 31, 2014	77,841,985	5,716,384	83,558,369
Charge for the year	30,437,643	742,241	31,179,884
Eliminated on retirement	(2,314,816)	-	(2,314,816)
December 31, 2015	105,964,812	6,458,625	112,423,437
Net book values:			
December 31, 2015	$321,929,026	8,202,910	330,131,936
December 31, 2014	$339,842,026	5,360,763	345,202,789

	The Company		
	Dolphins costs	Other animals	Total
At cost or deemed:			
December 31, 2013	429,804,068	9,948,214	439,752,282
Additions	23,977,078	667,433	24,644,511
Retirement	(36,097,135)	-	(36,097,135)
December 31, 2014	417,684,011	10,615,647	428,299,658
Additions	25,520,000	3,584,388	29,104,388
Retirement	(15,310,173)	-	(15,310,173)
December 31, 2015	427,893,838	14,200,035	442,093,873
Amortisation:			
December 31, 2013	52,245,714	4,952,248	57,197,962
Charge for the year	29,206,233	659,306	29,865,539
Eliminated on retirement	(3,609,962)	-	(3,609,962)
December 31, 2014	77,841,985	5,611,554	83,453,539
Charge for the year	30,437,643	711,472	31,149,115
Eliminated on retirement	(2,314,816)	-	(2,314,816)
December 31, 2015	105,964,812	6,323,026	112,287,838
Net book values:			
December 31, 2015	$321,929,026	7,877,009	329,806,035
December 31, 2014	$339,842,026	5,004,093	344,846,119

10. Bank overdrafts

The group has a $6.5 million overdraft facility, with The Bank of Nova Scotia Jamaica Limited at an interest rate of base rate plus 2%, which is secured by a hypothecation of cash deposits. Bank overdraft, in the current and prior year, represent credit balances on the company's bank accounts arising from items in transit at the reporting date.

The bank has also issued guarantees aggregating $15,180,928 (2014: $Nil) on behalf of the company in favor of the Collector of Customs.

11. Accounts payable

	The Group		The Company	
	2015	2014	2015	2014
Trade payables	61,200,638	60,365,037	56,851,824	51,909,114
Tax payable on dividends	-	23,152,960	-	23,152,960
Other payables and accruals	68,569,196	59,348,233	63,643,321	55,113,562
	$129,769,834	142,866,230	120,495,045	130,175,636

12. Deferred tax liability

Deferred tax is attributable to the following:

	The Group					
	Balance at December 31, 2013	Recognised in income (note 19)	Recognised in equity	Balance at December 31, 2014	Recognised in income (note 19)	Balance at December 31, 2015
Accounts receivable	-	-	-	-	46,306	46,306
Property, plant and equipment	(5,333,320)	(2,241,695)	51,776,896	44,201,881	(1,688,150)	42,513,731
Live assets	42,834,094	(3,928,324)	-	38,905,770	(3,844,626)	35,061,144
Accounts payable	-	-	-	-	(2,264,723)	(2,264,723)
Unrealised foreign exchange gains	-	-	-	-	585,036	585,036
	$37,500,774	(6,170,019)	51,776,896	83,107,651	(7,166,157)	75,941,494

	The Company					
	Balance at December 31, 2013	Recognised in income (note 19)	Recognised in equity	Balance at December 31, 2014	Recognised in income (note 19)	Balance at December 31, 2015
Accounts receivable	-	-	-	-	46,306	46,306
Property, plant and equipment	(9,693,463)	2,118,448	51,776,896	44,201,881	(1,688,150)	42,513,731
Live assets	42,834,094	(3,928,324)	-	38,905,770	(3,844,626)	35,061,144
Accounts payable	-	-	-	-	(2,264,723)	(2,264,723)
Unrealised foreign exchange gains	-	-	-	-	585,036	585,036
	$33,140,631	(1,809,876)	51,776,896	83,107,651	(7,166,157)	75,941,494

13. Long-term liabilities

		The Group and the Company	
		2015	2014
Long-term loans:			
Sagicor Bank Jamaica Limited loans:			
Loan A	(a)	28,101,282	37,121,208
Loan B	(b)	149,854,247	190,909,091
The Bank of Nova Scotia Jamaica Limited	(c)	-	5,003,308
Due to property vendor	(d)	45,127,500	45,127,500
		223,083,029	278,161,107
Less: Current portion		(95,127,504)	(96,707,504)
		$127,955,525	181,453,603

(a) This represents the balance on a $50,000,000 loan financed by Development Bank of Jamaica Limited in 2013, which bears interest at a fixed rate of 9.5% per annum. The loan is for seventy-two (72) months with a moratorium of six (6) months on principal payments. Thereafter, the principal is re payable in sixty-six (66) equal monthly installments.

The loan is secured as follows:

- Corporate guarantee of Too Cool Limited supported by a first legal mortgage over the Ocho Rios property stamped to cover $100 million; and

- Debenture over the fixed and floating assets of Dolphin Cove Limited, stamped to cover $100 million.

(b) This represents a J$ loan equivalent to US$2,250,000 financed by Development Bank of Jamaica Limited, also in 2013. This loan is for seventy-two (72) months and bears interest at a fixed rate of 9.5% per annum. There is a moratorium on principal payments of six (6) months. Thereafter, principal is repayable in sixty-six (66) equal monthly installments.

The loan is secured as disclosed in note (a) above, except that the debenture over the fixed and floating assets of Dolphin Cove Limited is to be upstamped by a further $125 million.

(c) This represented the balance on a J$ loan of $7,900,000 which bore interest at 9% per annum and repayable in sixty (60) months. The loan was fully settled during the year. The loan was secured by a bill of sale over the motor vehicle purchased and a hypothecation of certain funds in a savings account.

(d) This comprises two loans used to finance the acquisition of parcels of land in Hanover. The first represents the balance of an initial loan of $94,000,000 plus the company's share of transaction costs and commencing in 2009 was repayable within four years. The second parcel of land was purchased with a loan of $15,000,000 in 2012, against which payments of $2,272,500 were applied. The balance is payable upon exchange of the title to the property. As at December 31, 2015, the title has not yet been transferred. Interest was payable quarterly at a rate of 12% per annum on both loans. However, effective, March 3, 2014, interest accrual ceased.

14. Share capital

Authorised:
432,426,376 ordinary stock units of no par value

	2015	2014
Stated capital, issued and fully paid:		
392,426,376 ordinary stock units of no par value	279,053,297	279,053,297
Less: Transaction costs of share issue	(21,092,972)	(21,092,972)
	$257,960,325	257,960,325

Holders of ordinary stock units are entitled to dividends as declared from time to time and are entitled to one vote per stock unit at general meetings of the company.

15. Capital reserves

	The Group		The Company	
	2015	2014	2015	2014
Revaluation surplus arising on (note 8):				
Land	1,023,713,995	1,023,713,995	254,789,590	254,789,590
Buildings	329,979,067	329,979,067	284,930,065	284,930,065
	1,353,693,062	1,353,693,062	539,719,655	539,719,655
Deferred tax arising on revalued buildings (note 12)	(71,232,516)	(71,232,516)	(71,232,516)	(71,232,516)
Foreign currency translation reserve (a)	51,431,526	38,235,505	-	-
Investment revaluation reserve (b)	7,088,283	6,764,350	7,088,283	6,764,350
	$1,340,980,355	1,327,460,401	475,575,422	475,251,489

(a) Foreign currency translation reserve represents the exchange differences arising on translation of the financial statements of the company's foreign subsidiaries [note 1(b)], into the group's presentation currency, as well as foreign currency differences arising on balances denominated in a foreign currency with these foreign subsidiaries [note 5(b)(ii)].

(b) Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale investments until the assets are derecognised or impaired [note 2(i) and 3(a)].

16. Operating revenue

This represents revenue from the operation of attractions and is reported net of discounts and General Consumption Tax.

(a) Dolphin attraction revenue represents programme fees from hotels, cruise ships and walk-in guests.

(b) Ancillary services revenue represents revenue from the operations of restaurants, gift shops, photo shops and other adventure tours.

17. Disclosure of expenses

(a) Direct costs of dolphin attraction represent dolphin food, rental of dolphins, medication and veterinary services and other consumables.

(b) Direct costs of ancillary services represents operating costs of restaurants, gift shops, photo shops and other adventure tours.

(c) Operating expenses:

	The Group		The Company	
	2015	2014	2015	2014
Staff costs	436,471,124	390,594,210	436,471,124	390,594,210
Repairs and maintenance	25,784,247	23,893,143	25,784,247	23,834,937
Advertising, marketing and promotion	153,105,745	167,337,540	153,105,745	167,337,540
Guest transportation and tour charge	243,622,130	226,878,280	243,622,130	226,878,280
Travel and entertainment	35,332,078	33,987,623	35,332,078	33,987,623
Legal and professional fees	45,490,915	26,030,710	38,074,228	24,138,275
Rental, utilities and office expenses	66,603,075	58,592,015	87,384,416	75,697,857
Insurance	17,773,841	13,646,906	16,513,931	12,401,906
Security	30,551,610	28,962,115	30,551,610	28,962,115
Depreciation	84,512,778	59,709,206	73,186,805	51,842,110
Other	55,731,254	48,212,015	65,427,669	45,802,254
	$1,194,978,797	1,077,843,763	1,205,453,983	1,081,477,107

(d) Other required disclosure:

	The Group		The Company	
	2015	2014	2015	2014
	$	$	$	$
Auditors' remuneration	8,430,000	6,020,000	6,695,000	4,565,000

(e) Staff costs:

	The Group and the Company	
	2015	2014
Salaries and wages	360,161,821	325,150,922
Payroll taxes	37,527,725	34,156,587
Commission	14,092,208	11,855,502
Other benefits	24,689,370	19,431,199
	$436,471,124	390,594,210

18. Finance income/(costs)

	The Group		The Company	
	2015	2014	2015	2014
(a) Finance income:				
Net foreign exchange gains	27,996,306	30,883,878	50,156,145	58,590,070
Interest income	7,647,374	7,195,384	37,077,977	29,781,396
	$35,643,680	38,079,262	87,234,122	88,371,466
(b) Finance costs:				
Interest expense	(15,986,982)	(29,307,333)	(15,627,824)	(29,307,333)
Bank charges	(10,110,065)	(9,947,933)	(10,110,065)	(8,853,938)
Credit card charges	(9,741,987)	(8,233,202)	(9,741,987)	(8,233,202)
	$(35,839,034)	(47,488,468)	(35,479,876)	(46,394,473)

19. Taxation

	The Group		The Company	
	2015	2014	2015	2014
(a) Income tax charge:				
(i) Current tax at 25%	3,316,352	-	3,316,352	-
Remission at 50% of standard rate [note (c)]	(1,658,176)	-	(1,658,176)	-
	1,658,176	-	1,658,176	-
(ii) Deferred taxation:				
Origination of temporary differences (note 12)	(7,166,157)	(6,170,019)	(7,166,157)	(1,809,876)
	$(5,507,981)	(6,170,019)	(5,507,981)	(1,809,876)

(b) Reconciliation of actual tax credit:

	The Group		The Company	
	2015	2014	2015	2014
Profit before taxation	$400,738,081	433,557,101	442,212,495	581,309,956
Computed "expected" tax charge at the company's statutory rate of 25%	100,184,520	108,389,275	110,553,124	145,327,489
Tax effect of differences between treatment for financial statement and taxation purposes:				
Disallowed items, net	2,691,936	20,364,509	(7,676,668)	12,786,438
Exempt income	-	-	-	(25,000,000)
Tax remission [note (c)]	(108,384,437)	(134,923,803)	(108,384,437)	(134,923,803)
Actual tax credit recognised in profit for the year	$(5,507,981)	(6,170,019)	(5,507,981)	(1,809,876)

(c) The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 21, 2010. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years	Tax rate
2011 to 2015	100% of standard rates
2016 to 2020	50% of standard rates

19. Taxation (cont'd)

(d) Approval has been granted under Section 86 of the Income Tax Act for Dolphin Cove (Negril) Limited to be relieved of income tax arising from operations up to August 2015.

(e) In the prior year, the Government of Jamaica enacted new tax measures to change the tax incentive regimes applicable to various industries. One such measure is the employment tax credit. Businesses that are tax compliant with respect to statutory contributions (both employer and employee portions) are now able to claim such statutory contributions paid as a credit against and up to 30% of their income tax liability. Unused employment tax credit (ETC) cannot be carried forward or refunded and some or all of the ETC claimed may be clawed back out of future distributions to shareholders.

These new tax measures have resulted in changes in the income tax and capital allowances computations. However, given the current tax position of the company, as disclosed in note (c) above, they will not materially affect the group's tax position until the end of the tax remission period.

(f) Chesire Hall Limited, SB Holdings Limited, Marine Adventure Park Limited and Balmoral Dolphins Limited have elected to pay income tax at 1% of profits earned in St. Lucia. However, the companies had not commenced operations as at the reporting date [note 1(e)].

(g) Dolphin Cove TCI Limited and DCTCI Limited are not required to pay corporation tax in the Turks & Caicos Islands.

(h) At December 31, 2015, unutilised tax losses available for set-off against future taxable profits, subject to agreement by the Commissioner General of Tax Administration Jamaica, amounted to approximately $54 million (2014: $50 million) for the group and Nil (2014: Nil) for the company. Tax losses may still be carried forward indefinitely; however, the amount that can be utilised in any one year is restricted to 50% of chargeable income for that year.

(i) A deferred tax asset of approximately $17 million (2014: $10.5 million) relating to available tax losses and timing differences has not been recognised at December 31, 2015, by a subsidiary as management considers that the financial and operational strategies initiated to utilise the benefits of the deferred tax asset are still to be initiated.

20. Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year.

	2015	2014
Profit for the year attributable to stockholders of the company	$406,246,062	439,727,120
Weighted average number of ordinary stock units held during the year	392,426,376	392,426,376
Earnings per stock unit (expressed in ¢ per share)	103.52¢	112.05¢

21. Dividends

	2015		2014	
	Dividend per ordinary stock unit	Dividends paid	Dividend per ordinary stock unit	Dividends paid
		$		$
First interim dividend:				
May 11, 2015 (2014: March 21, 2014)	15¢	58,863,957	15¢	58,863,957
Second interim dividend:				
August 26, 2015 (2014: June 12, 2014)	15¢	58,863,957	15¢	58,863,957
Third interim dividend:				
October 29, 2015 (2014: October 3, 2014)	15¢	58,863,957	15¢	58,863,957
Fourth interim dividend:				
None (2014: December 19, 2014)	-	-	15¢	58,863,957
	45¢	176,591,871	60¢	235,455,828

22. Segment results

The group's reportable segments are as follows:

(a) Ocho Rios - This comprises business in Ocho Rios, St. Ann and includes tourist attractions such as dolphin programmes, restaurants, gift and video shops.

(b) Hanover - This comprises business at Po int, Lucea, Hanover and includes tourist attractions such as dolphin programmes, gift and video shops.

(c) Others - This materially comprises business at the Prospect, Half Moon and Moon Palace locations. Operations in St. Lucia and the Turks & Caicos Islands have not yet commenced [see note 1(b)]. Only dolphin programmes are offered at the Half Moon location. Dune buggy, Horseback and plantation tours, which include camel rides, ostriches and a butterfly enclosure, are offere d at the Prospect location. At the Moon Palace location, a gift shop is also operated and dolphin programmes are offered.

Information regarding the results, assets and lia bilities of each reportable segment is presented below:

	2015			
	Ocho Rios	Hanover	Other	Total
Gross revenue from external customers	$ 1,267,583,199	446,840,050	200,001,895	1,914,425,144
Finance income	$ 85,433,146	1,800,976	-	87,234,122
Finance costs	$(35,479,876)	(28,591,458)	-	(64,071,334)
Depreciation and amortisation	$(60,615,172)	(10,296,540)	(13,601,066)	(84,512,778)
Taxation	$ 5,507,981	-	-	5,507,981
Segment profit after tax	$ 266,173,039	121,646,424	49,802,511	437,621,974
Reportable segment assets	$ 2,520,848,451	768,661,239	412,465,214	3,701,974,904
Capital expenditure	$ 54,170,811	3,365,187	54,999,560	112,535,558
Reportable segment liabilities	$ 409,936,011	208,753,144	309,204,321	927,893,476

22. Segment results (cont'd)

	2014			
	Ocho Rios	Hanover	Other	Total
Gross revenue from external customers	$1,306,194,175	411,192,774	129,584,410	1,846,971,359
Finance income	$ 88,371,466	106,315	-	88,477,781
Finance costs	$(46,394,473)	(23,249,693)	-	(69,644,166)
Depreciation and amortisation	$(49,564,199)	(7,033,144)	(3,111,863)	(59,709,206)
Taxation	$ 1,809,876	4,360,143	-	6,170,019
Segment profit after tax	$ 464,967,441	90,123,191	17,203,310	572,293,942
Reportable segment assets	$2,458,379,074	810,444,162	342,786,087	3,611,609,323
Capital expenditure	$ 66,625,630	1,653,162	46,785,819	115,064,611
Reportable segment liabilities	$ 581,041,104	227,006,133	272,654,803	1,080,702,040

Reconciliation of reportable segment revenue, finance income, finance costs, assets, liabilities and profit after tax:

	2015	2014
Revenue		
Total revenue for reportable segments	1,914,425,144	1,846,971,359
Less other income	(838,269)	(1,234,540)
Elimination of inter-segment management fees	(31,200,000)	(31,200,000)
Elimination of inter-segment rental income	(114,264,341)	(106,854,366)
	$1,768,122,534	1,707,682,453
Finance income		
Total finance income for reportable segments	87,234,122	88,477,781
Translation adjustment on consolidation	(13,196,021)	(19,156,592)
Elimination of inter-company transactions	(38,394,421)	(31,241,927)
Consolidated finance income	$ 35,643,680	38,079,262
Finance costs		
Total finance costs for reportable segments	64,071,334	69,644,166
Elimination of inter-company transactions	(28,232,300)	(22,155,698)
Consolidated finance costs	$ 35,839,034	47,488,468
Assets		
Total assets for reportable segments	3,701,974,904	3,611,609,323
Elimination of investment in subsidiaries	(33,428,714)	(33,428,714)
Elimination of due from subsidiaries	(494,128,807)	(486,998,814)
Consolidated total assets	$3,174,417,383	3,091,181,795
Liabilities		
Total liabilities for reportable segments	927,893,476	1,080,702,040
Elimination of due to parent company	(494,128,807)	(486,998,814)
Consolidated total liabilities	$ 433,764,669	593,703,226
Profit after tax		
Segment profit after tax	437,621,974	572,293,942
Depreciation charge on consolidation	(8,017,770)	(4,324,002)
Elimination of inter-company dividends and interest	(10,162,121)	(109,086,228)
Translation adjustment on consolidation	(13,196,021)	(19,156,592)
Consolidated profit for the year	$ 406,246,062	439,727,120

23. Commitments

(a) Operating lease commitments:

The group and the company entered into an agreement, with a third party for the rental of two (2) dolphins. In addition, the company now pays rent to a subsidiary [(note 1(b)(i)].

Future payments under these leases relative to the reporting date are as follows:

	The Group		The Company	
	2015	2014	2015	2014
Within one year	14,449,800	13,759,284	35,761,810	34,052,852
Between one and five years	14,449,800	13,759,284	99,697,840	94,933,556
Over five years	-	-	316,128,149	301,021,258
	$28,899,600	27,518,568	451,587,799	430,007,666
Operating lease payments recognised in profit or loss	$14,070,000	12,230,000	34,851,341	29,538,862

(b) Capital commitments:

There were no capital commitments as at December 31, 2014. However, as at December 31, 2015 the company had an agreement to purchase dolphins from its parent company at a cost of US$349,050 of which US$200,025 was paid as a deposit [note 4(b)(ii)].

24. Financial instruments

(a) Financial risk management:

The group has exposure to credit risk, market risk and liquidity risk from its use of financial instruments in the ordinary course of the business. Derivative financial instruments are not used to reduce exposure to fluctuations in interest and foreign exchange rates.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

24. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd):

Cash and cash equivalents, securities purchased under resale agreements and investments

The group limits its exposure to credit risk by:

- placing cash resources with substantial counterparties who are believed to have minimal risk of default;
- only investing in liquid securities with credit worthy institutions; and
- obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults.

Accounts receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place under which each customer is analysed for credit worthiness prior to being offered credit. The group does not require collateral in respect of trade and other receivables. At the reporting date there were significant concentrations of credit risk in respect of 11 (2014: 10) major customers for the group and the company who materially comprised trade receivables. As at December 31, 2015, amounts receivable from these customers aggregated $57,183,051 (2014: $83,701,200) for the group and the company. These represent 39% (2014: 50%) of trade receivables for the group and the company.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowances for doubtful debts are based on the aging of the receivables, with write-offs made if attempts to collect fail and the amount is deemed to be uncollectible.

Due from related parties

At the reporting date there were no significant concentrations in respect of amounts due from related parties.

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 the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the group's income or the value of its holdings of financial instruments.

24. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(ii) Market risk (cont'd):

- 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.

Subject to normal conditions, the group materially contracts financial liabilities at fixed interest rates for the duration of the term.

Interest-bearing financial assets are primarily represented by cash and cash equivalents, securities purchased under resale agreements and investments. Interest-bearing financial liabilities are mainly represented by loans and bank overdrafts.

Financial instruments are subject to interest as follows:

	Carrying amount			
	The Group		The Company	
	2015	2014	2015	2014
Fixed rate instruments:				
Financial assets	287,425,578	242,528,335	781,554,385	729,527,149
Financial liabilities	(223,083,029)	(278,161,107)	(223,083,029)	(278,161,107)
	$ 64,342,549	(35,632,772)	558,471,356	451,366,042
Variable rate instruments:				
Financial assets	68,196,231	101,288,053	68,196,231	101,288,053
Financial liabilities	(4,759,548)	(30,704,281)	(4,759,548)	(30,704,281)
	$ 63,436,683	70,583,772	63,436,683	70,583,772

Cash flow sensitivity analysis for variable rate instruments

An increase or decrease in basis points in interest rates at the reporting date would have increased/(decreased) profit for the year by amounts shown below.

	The Group and the Company			
	2015		2014	
	Increase 100bp	Decrease 150bp	Increase 250bp	Decrease 100bp
Effect on profit (decrease)/increase	$634,367	(951,550)	1,764,594	(705,838)

24. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(ii) Market risk (cont'd):

• Interest rate risk (cont'd):

Cash flow sensitivity analysis for variable rate instruments (cont'd)

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial instrument at fair value. Therefore, a change in interest rates at the reporting date would not affect the profit or other comprehensive income recognised for the year.

• Foreign 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 incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Jamaica dollar. The principal foreign currency exposures of the group are denominated in United States dollars (US$).

Exposure to foreign currency risk on US$ denominated balances was as follows:

	The Group		The Company	
	2015	2014	2015	2014
Cash and cash equivalents	1,136,312	1,261,348	1,136,312	931,518
Securities purchased under resale agreements	1,357,588	1,084,105	1,357,588	1,084,105
Investments	421,393	430,432	421,393	430,432
Accounts receivable	954,146	1,296,337	954,146	1,296,337
Due from related parties	-	-	4,129,204	4,267,454
Bank overdrafts	(5,845)	(203,238)	(5,845)	(203,238)
Accounts payable	(177,264)	(315,743)	(176,832)	(236,728)
	US$ 3,686,330	3,553,241	7,815,966	7,569,880
Equivalent to	J$441,032,521	405,495,863	935,102,412	863,874,706

24. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(ii) Market risk (cont'd):

- Foreign currency risk (cont'd):

Exchange rates in terms of the Jamaica dollar ($) for US$1 were as follows:

At December 31, 2015: $119.64
At December 31, 2014: $114.12

Sensitivity analysis

Changes in the exchange rates of the Jamaica dollar ($) to the United States dollar (US$) would have the effects described below:

	Increase/(decrease) in profit for the year			
	The Group		The Company	
	2015	2014	2015	2014
	$	$	$	$
8% (2014: 10%) strengthening of the US$ against the J$	35,282,602	40,549,586	74,808,193	86,387,471
1% (2014: 1%) weakening of the US$ against the J$	(4,410,325)	(4,054,959)	(9,351,024)	(8,638,747)

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

(iii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the group will 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 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 credit facilities. The management of the group aims at maintaining flexibility in funding by keeping lines of funding available.

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables 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 Group					
	2015					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Bank overdrafts	4,759,548	4,759,548	4,759,548	-	-	-
Accounts payable	129,769,834	129,769,834	129,769,834	-	-	-
Long-term liabilities	223,083,029	311,315,284	33,881,200	77,862,080	124,974,413	74,597,591
Total financial liabilities	$357,612,411	445,844,666	168,410,582	77,862,080	124,974,413	74,597,591

24. Financial instruments (cont'd)

(a) Financial risk management (cont'd):

(iii) Liquidity risk (cont'd):

	The Group					
	2014					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Bank overdrafts	30,704,281	30,704,281	30,704,281	-	-	-
Accounts payable	142,866,230	142,866,230	142,866,230	-	-	-
Dividends payable	58,863,957	58,863,957	58,863,957	-	-	-
Long-term liabilities	278,161,107	334,792,826	38,973,100	83,039,506	128,285,387	84,494,833
Total financial liabilities	$510,595,575	567,227,294	271,407,568	83,039,506	128,285,387	84,494,833

	The Company					
	2015					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Bank overdrafts	4,759,548	4,759,548	4,759,548	-	-	-
Accounts payable	120,495,045	120,495,045	120,495,045	-	-	-
Due to subsidiaries	28,472	28,472	28,472	-	-	-
Long-term liabilities	223,083,029	311,315,284	33,881,200	77,862,080	124,974,413	74,597,591
Total financial liabilities	$348,366,094	436,598,349	159,164,265	77,862,080	124,974,413	74,597,591

	The Company					
	2014					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years
Bank overdrafts	30,704,281	30,704,281	30,704,281	-	-	-
Accounts payable	130,175,636	130,175,636	130,175,636	-	-	-
Due to subsidiaries	28,472	28,472	28,472	-	-	-
Dividends payable	58,863,957	58,863,957	58,863,957	-	-	-
Long-term liabilities	278,161,107	334,792,826	38,973,100	83,039,506	128,285,387	84,494,833
Total financial liabilities	$497,933,453	554,565,172	258,745,446	83,039,506	128,285,387	84,494,833

(b) Capital management:

The group manages the adequacy of capital by managing the returns on equity and borrowed funds to protect against losses on its business activities so as to be able to generate an adequate level of return for its stockholders.

As a condition of its long term loans, the company is required to have positive stockholders' equity.

There are no other externally imposed capital requirements and there have been no changes in the group's approach to managing capital during the year.

24. Financial instruments (cont'd)

(c) Fair value of financial instruments:

The following methods and assumptions have been used:

(i) The fair value of cash and cash equivalents, securities purchased under resale agreements, accounts receivable and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature.

(ii) Amounts due from related parties are assumed to approximate their fair value due to their short-term nature and/or an ability to effect future set-offs in the amounts disclosed.

(iii) Investments classified as available-for-sale are measured at fair value by reference to price quotes as published by managers of these instruments. The fair value is as disclosed in note 3. The fair value of investments, classified as loans and receivables are determined as disclosed in note 2(i).

(iv) The carrying value of long-term loans approximate the fair values as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of market rates for similar loans.

FORM OF PROXY

PROXY FORM

I/We ……………………………………………………………………………………………………

of ………………………………………………………………………………………………………

being the registered holder of…………………ordinary shares in Dolphin Cove Limited,

hereby appoint…………………………… of …………………………………………………………

or failing him,……………………………………… of ……………………………………………

as my/our proxy to attend and, on a poll, vote on my/our behalf at the annual general

meeting of the company to be held on 27 June 2016, and at any adjournment thereof.

Dated this day of 2016

……………………………………………

Signature of Member

STAMP DUTY - $100.00

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