
2015
Jamaica Producers Group Limited
Annual Report
JP

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Annual Review

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-ninth ANNUAL GENERAL MEETING of JAMAICA PRODUCERS GROUP LIMITED (the "Company") will be held at **Knutsford Court Hotel, 16 Chelsea Avenue, Kingston 5**, at 10:00 o'clock in the forenoon of Friday June 24, 2016 to transact the business more particularly set out below, and to consider, and if thought fit, to pass the resolutions as set out below:

1. To receive and consider the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2015:

   RESOLUTION:

   "THAT the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2015 be and are hereby adopted."

2. To fix the remuneration of the Auditors for 2015 or to determine the manner in which such remuneration is to be fixed:

   RESOLUTION:

   "THAT the remuneration of the Auditors, KPMG, having been fixed by the Directors for 2015, be and is hereby approved."

3. To ratify interim dividends and declare them final:

   RESOLUTION:

   "THAT the interim dividend of 40¢ per stock unit of record date December 23, 2015 be and is hereby ratified and declared final for 2015."

4. To re-appoint the Auditors:

   RESOLUTION:

   "THAT the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2017."

5. To elect Directors:

   RESOLUTIONS:

   a) "THAT Mrs. Sanya Goffe who retires after filling a casual vacancy, be and is hereby re-elected a Director of the Company."
   b) "THAT Mr. Grantley Stephenson who retires after filling a casual vacancy, be and is hereby re-elected a Director of the Company."
   c) "THAT the Hon. Oliver Clarke who retires by rotation, be and is hereby re-elected a Director of the Company."

6. To fix the remuneration of Directors:

   RESOLUTION:

   "THAT the amount of $10,157,500 shown in the Accounts for the year ended December 31, 2015 for Non-Executive Directors' fees be and is hereby approved."

7. To transact any other competent business.

BY ORDER OF THE BOARD

Paul St. E. Samuels
Company Secretary

Kingston, Jamaica
April 15, 2016

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

GROUP FINANCIAL HIGHLIGHTS

Group Financial Highlights	2015	2014	2013	2012	2011
Balance Sheet	$'000	$'000	$'000	$'000	$'000
Total Assets	10,248,203	9,943,446	8,553,150	7,505,392	6,069,862
Net Current Assets (Working Capital)	425,497	196,763	498,850	592,705	2,150,479
Cash and Cash Equivalents	361,091	322,281	398,920	323,929	160,339
Total Borrowings	(2,219,740)	(2,150,083)	(1,243,761)	(1,196,263)	(210,195)
Stockholders' Equity	6,399,006	5,863,693	5,697,807	5,016,175	4,790,296
Stockholders' Funds per Stock Unit:					
Based on stock units in issue	$34.21	$31.35	$30.47	$26.82	$25.61
After exclusion of stock held by ESOP	$37.37	$34.34	$33.46	$29.51	$28.28
Profit and Loss	$'000	$'000	$'000	$'000	$'000
Gross Revenue	8,705,924	8,817,029	7,753,863	6,790,257	6,180,569
Profit Attributable to Parent Company Stockholders	792,256	358,220	252,273	189,406	962,907
Dividends Paid	74,810	37,405	37,405	37,405	93,512
Earnings per Ordinary Stock Unit					
Based on stock units in issue	423.61¢	191.54¢	134.89¢	101.27¢	514.86¢
After exclusion of stock held by ESOP	463.04¢	210.04¢	148.24¢	111.59¢	569.05¢
Financial Ratios					
Return on Sales	9.1%	4.1%	3.3%	2.8%	15.6%
Return on Equity	12.4%	6.1%	4.4%	3.8%	20.1%
Return on Total Assets	7.7%	3.6%	2.9%	2.5%	15.9%
Debt:Equity Ratio	34.7%	36.7%	21.8%	23.8%	4.4%
Current Ratio	1.24:1	1.11:1	1.36:1	1.55:1	3.00:1
Dividend Cover	10.59	9.58	6.74	5.06	10.30
Market Statistics					
Closing Stock Price	$31.00	$17.50	$19.00	$17.80	$24.03
Market Capitalisation ($'000)	5,797,744	3,272,920	3,553,456	3,329,027	4,494,187
Price Earnings Ratio	7.32	9.14	14.09	17.58	4.67
Other Data					
Buying Exchange Rates at December 31:					
US$1 to J$	119.64	114.12	105.72	92.15	86.14
UK£1 to J$	175.74	175.97	173.56	148.29	133.26
EUR€1 to J$	129.97	138.09	145.67	121.49	111.82

CHAIRMAN'S STATEMENT

Jamaica Producers Group Limited (JP) generated revenues of $8.7 billion in 2015 and earned profits for JP shareholders of $792 million. Our earnings are up 121% relative to our 2014 result and we increased the total shareholders' equity by 9%. Our improved profit position reflects the strong performance of our associated and joint venture companies, improved operating performance and gains from the realisation of certain investments. All of our operating segments experienced improved results.

JP Food & Drink Division

JP Food & Drink had 2015 profits of $265 million up 56% from $170 million in 2014. Divisional revenues of $7.3 billion were flat relative to the prior year. Revenue and profits were impacted by the 12% depreciation of the euro versus the Jamaican dollar between 2014 and 2015. The underlying revenue growth in the currencies in which we do business was 7%. JP Food & Drink continues to benefit from a diverse portfolio of products serving an internationally diverse group of consumers.

A. L. Hoogesteger Fresh Specialist B.V. (Hoogesteger) is based in the Netherlands and is Holland's market-leading producer of freshly squeezed juice. The global fresh juice industry has entered an era of dynamism. Rapid technological change is driving innovation targeted at extending the shelf-life of fresh juice while maintaining its taste profile and nutritional properties. Hoogesteger operates at the forefront of this trend. The company's investment in new technology is supporing business development across Northern Europe.

Charles Johnston
Chairman

JP Tropical Snacks is the market leader in Jamaica for tropical snacks. We continue to use this platform to expand in new markets and to introduce new products. The business operates snack factories in both Jamaica and the Dominican Republic and is strengthening its market presence in the Caribbean, Central America, the USA and the UK. During the year, the business gained market share in its core markets and delivered significantly improved results.

JP Tropical Farms is Jamaica's market leader in tropical fresh produce. During the year we expanded our farms in St. Mary by adding new produce items to our core JP banana business including a new variety of sweet potato. We also continued to increase pineapple production. All products leverage the "JP" brand which maintains an excellent reputation for high quality and innovation.

Tortuga International Holdings Limited specializes in destination-based food items for the visitor to the Caribbean. The company's flagship Tortuga Rum Cake product increased its penetration in Florida and the Dominican Republic. We also strengthened our association with the Caribbean tourist market with the introduction of the first in our new "Special Selection" range, featuring Jamaica Blue Mountain Coffee Rum Cake in a signature gift box. The business announced plans to establish a new bakery in Jamaica in 2016 to support its expansion programme and improve efficiency.

Mavis Bank Coffee Factory, our joint venture company completed the year as the leading processor of Jamaica Blue Mountain Coffee. A major area of focus during the year was to increase the support given to farmers from whom we purchase coffee. This was done through extension services, advances of fertiliser and other inputs required by farmers and through significantly improved prices. In addition we expanded our own direct cultivation of Blue Mountain Coffee. We also strengthened the business by diversifying our product range to include flavoured coffees and to improve our distribution of soluble coffees. The combination of these initiatives led to significantly improved results for this business.

JP Logistics & Infrastructure

JP Logistics & Infrastructure had 2015 profits of $399 million up 8% from $371 million in 2014. Divisional revenues of $1.3 billion were 3% lower relative to the prior year.

Kingston Wharves Limited (KW) is a leading multi-purpose, multi-user port terminal serving Jamaica and the Caribbean. JP Logistics & Infrastructure increased its ownership share of KW to 42% in September 2014. JP continues to be satisfied with the performance of this investment and now considers it to be core to its Logistics & Infrastructure Division. KW experienced improved operating results in 2015 and continued its programme of capital investment and business development towards long-term growth in the logistics business.

JP Shipping Services Limited provides a full range of logistics and freight forwarding services between the UK and the Caribbean. This business experienced improved results on the back of an improved UK economy, and stronger marketing and service delivery.

Four Rivers Mining Company (FRM), our 51% owned subsidiary, is engaged in the production of construction aggregates. JP entered the business with a view to commercialising the deposits of high-grade river aggregates that are available on its land holdings in St. Mary and St. Thomas. FRM had a disappointing year and experienced significant operating losses. The losses arose from increased costs and challenges in securing river aggregates as a result of their depletion due to the on-going drought. We also faced significant challenges with the efficiency and reliability of our plant and equipment. JP has conducted a thorough review of this business and has concluded that it is not core to our operations. As such, going forward we will seek to transition our arrangements to a business model that generates value from our aggregate deposits primarily through royalties from third party operators. The company incurred an exceptional charge of $197 million due to asset write-down and restructuring charges in Quarter 4, 2015 in connection with this transition and to comply with relevant accounting standards. We expect this change to ultimately result in improved returns.

Corporate

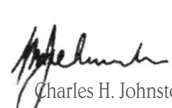
During 2015, the JP Corporate Division earned profits of $290 million. The division's profit was up by $298 million relative to a loss of $8 million in the prior year. The Corporate Division includes net interest and investment income as well as the cost of the corporate functions that are not charged directly to our other operating divisions. The results of this division include gains or losses on the sale of securities and other investments and as such can change significantly from year to year. In 2015 profits included gains associated with a share distribution resulting from our minority interest in a property owning company, as well as gains from the sale of our head office property at Oxford Road. Our strategic plan going forward is to locate substantially all of our head office activities within or adjacent to our operating subsidiaries and associate companies rather than at a separate office complex. We expect to complete this transition in 2017 and until that time will continue to occupy the Oxford Road premises on a leasehold basis.

Outlook

Our strategy is to maintain a diverse and profitable range of specialty food products that include both value-priced high quality snack and fresh produce items for the Caribbean consumer market, as well as truly distinctive specialty foods that are able to derive growth and hard currency earnings from mainstream consumer markets in North America, Europe and Asia as well as the regional tourism sector. Moreover, as farmers, food processors and food distributors, we will continue to participate at every stage along the value chain in the business of bringing great food to our consumers. We are satisfied with this strategy for 2016 and beyond.

We also believe that Jamaica's strategic location within major world trade and shipping lanes, together with the expansion programme for the Panama Canal present Jamaica with the potential for growth and development in logistics and port related infrastructure. We are genuinely proud to be able to contribute our expertise, capital and products and services to these important national projects. Our shipping and logistics services between the UK and Jamaica and the wider Caribbean have been a part of our business since its inception over 85 years ago. We believe that we have unique expertise and a strong competitive position in this business and will seek to continue to grow its revenues and earnings.

Today, the workforce of JP and its associated companies numbers over 1,000 persons. We thank each of them for their contribution to the 2015 result. We also thank our customers for their continued loyalty and support. JP is of the view that one way to show our gratitude to both our employees and our customers is to continue to invest in the communities where we do business and in particular in children and education. This position guided our programme of active corporate social responsibility that saw us contribute both our resources and time to a range of worthy charitable causes and institutions. I thank our board and management for their counsel and leadership during the year.



Charles H. Johnston
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Jeffrey Hall
Group Managing Director

The Group and Strategy

Throughout 2015 the Group has continued to pursue its strategic goals in specialty food and logistics. Specifically, the Group's strategy remains:

i. To pursue business prospects in all aspects of specialty food, ranging from agricultural production to food processing, marketing, distribution and specialty retail.

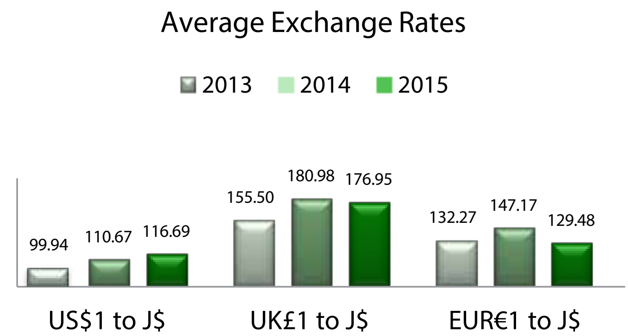
ii. To participate in select opportunities to develop and provide world-class logistics services and infrastructure for the Caribbean.

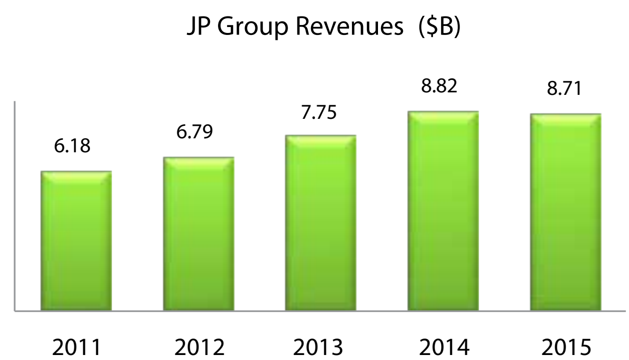
To achieve this strategy we expect all our businesses and our business leaders to operate under a common set of values and behaviours - the JP Way. The key pillars of the JP Way require businesses to be leaders in their market segment and to be open to a wide range of strategic opportunities for growth whilst operating in a practical context that emphasizes strong financial returns and integrity in our business dealings.

During the year the Group furthered its strategic progress through a variety of commercial and operational initiatives. As part of this, and with effect from January 1, 2015, we revised our segment reporting to be aligned with our established strategy and internal reporting. We now report our operations on the basis of the major lines of business in which we are engaged, specifically (a) JP Food & Drink - an international diversified specialty foods business, and (b) JP Logistics & Infrastructure - a portfolio of international businesses centered around logistics and infrastructure for the Caribbean.

This segment reporting gives clearer visibility to shareholders of the extent and strategic importance of our non-food holdings. Prior to this year, our segment reporting reflected the geographic division of our operations between Europe and the Americas.

Shareholders should note that in line with the Group's strategy, a significant share of total assets are held as interests in joint venture and associated companies, and as such, profits from these interests account for a significant share of the Group's profits. In accordance with accounting standards the revenues of the Group's joint venture and associated companies are not consolidated with other group revenues in the gross operating revenue line of our Group Profit and Loss Account, however, our percentage share of the profits of those entities (share of profits in joint venture and associated companies) is reported.





Financial Performance Review
The Group

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

During 2015, JP generated total revenues of $8.71 billion, a decrease of 1% relative to 2014, The 2015 revenues incorporate a 12% weakening of the euro which accounts for approximately 53% of the Group's revenues.

Seventy-nine percent (79%) of the Group's revenues are denominated in non-Jamaican dollar currencies, particularly the euro, the US dollar and the British pound. When adjusted for exchange differences arising on translation of our subsidiaries' financial statements the underlying revenue growth in the currencies in which our subsidiaries do business was 7%.

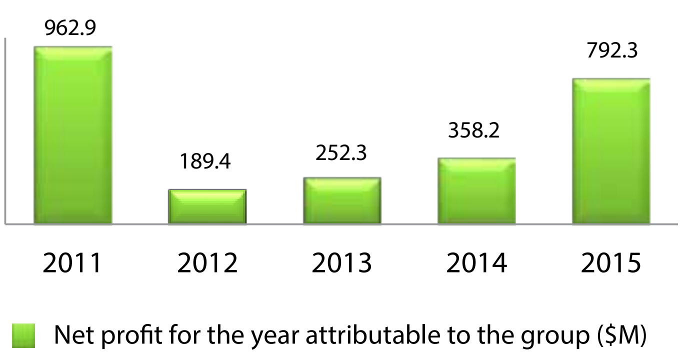
With our expectation of depreciation over time of the Jamaican dollar relative to major reserve currencies, we have maintained our strategy of ensuring that a core part of our earnings is generated in those currencies, either through direct ownership of overseas subsidiaries or through increasing the exports of our Jamaican produced specialty foods and logistics services into hard currency markets. During 2015 we continued to see increasing export revenues.

2015 saw gross margins improve from 22% to 23%. This was driven largely by improvements in the JP Tropical Snacks business on the back of unit cost reductions and increasing volumes from leveraging the fixed cost base. Across the Group a focus on reducing production costs has seen business margins generally improve.

The growth in volumes in JP Tropical Snacks and other subsidiaries was in part driven by an expansion of our marketing and distribution budgets, particularly in Jamaica. Group-wide we continue to focus on redirecting expenditure from general administrative costs to more commercially driven marketing initiatives. This saw the Group's marketing spend increase by a factor above inflation which management expects to deliver greater revenue returns in the short to medium term.

As with prior years, the composition of the Group's investments, between subsidiaries that are consolidated fully and associates that are consolidated under the equity method, means that our performance must be assessed by combining both our operating profits (Hoogesteger, Tortuga, JPT Snacks, JPT Farms, Four Rivers Mining, JP Shipping Services and our central Corporate operations) with our earnings from joint venture and associated companies (Mavis Bank Coffee Factory and Kingston Wharves). Operating profit, when combined with the trading profits from associates, experienced a near doubling in the year.

The continuation of the strategy of liquidating under-performing or non-core assets saw gains of $433 million realised during the year. Offsetting these gains was an exceptional restructuring cost of $224 million, of which the largest component - $197 million - related to an exceptional write-down of assets in the Four Rivers Mining operation following a restructuring of this operation. Four Rivers Mining Company has not performed in line with expectations and falls outside of our core areas of strategic focus.

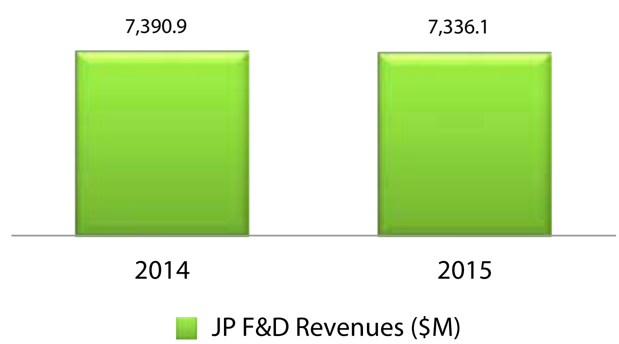


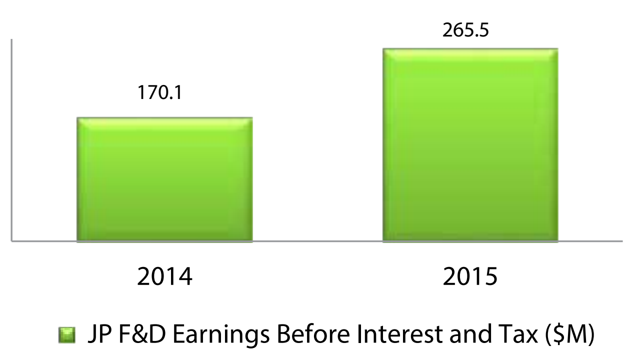
Earnings before finance costs and taxation (EBIT) grew to $955 million up 79% on the prior year. Segmentally this growth came across the board, with JP Food & Drink up 56%, JP Logistics & Infrastructure up by 61% (before the exceptional write-down at Four Rivers which led to a net overall increase of 8%) and Corporate up by $298 million largely from gains on sales of assets, combined with lower overheads.

The expansion of debt in 2014, used to finance investments across the business and particularly the additional shareholding in Kingston Wharves, has caused finance costs to grow by 61%. The improved earnings have also increased the tax charge. After these charges total profits attributable to shareholders of $792 million are up 121% relative to the prior year.

JP Food & Drink

The JP Food & Drink division comprises a portfolio of subsidiaries, joint venture and associated companies that are engaged in agriculture, processing, marketing, distribution and/or retail of food and drink. The division has operations in Jamaica, the Netherlands, the Dominican Republic, the Cayman Islands and Barbados, and operates a distribution centre in the United States. The range of specialty food and drink products includes fresh juices, tropical snacks, fresh fruit, specialty coffee, Caribbean rum and rum-based food items, which are marketed and sold in international markets under our own brands as well as under the brands of third parties who contract with us to produce and process food products for them.





The JP Food & Drink division's Jamaican dollar reported revenues and earnings were heavily affected by the 12% depreciation of the euro. Approximately 78% of the revenues of the division are in currencies other than the Jamaican dollar, principally the euro and, to a lesser extent, the US dollar. After eliminating changes in exchange rates the underlying local currency revenues of the division grew by 7%. All business units experienced growth in revenues, with particularly strong revenue

MANAGEMENT
DISCUSSION & ANALYSIS Cont'd

growth at JP Tropical Snacks and JP Tropical Farms. The division's earnings grew by 56% in Jamaican dollars, with underlying local currency earnings growing by 75%. The largest contributor to this growth was JP Tropical Snacks which completed its planned turnaround during 2015.

A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger") is the largest producer of fresh fruit juices in the Netherlands and Northern Europe. Hoogesteger has been following a strategy of expansion within Europe and in 2015 continued to achieve double digit revenue growth in export markets outside of our core Dutch market.

During 2015 the European juice market has seen a noticeable acceleration of a structural change towards more niche and specialist juice blends with greater functional and health benefits. As a result the business has chosen to invest in plant and equipment as well as the commercial platform necessary to adapt to and seize this opportunity. The investment of over €1.2 million into a new high pressure processing (HPP) plant has been pivotal to this. This technology allows us to extend the shelf life without impacting the quality of products on small production runs. As such it perfectly complements our existing Fresh Micro Pulse (FMP) technology that allows us to do the same for larger batches of production. With this combination of technologies we now have a production facility that is uniquely able to efficiently supply the large scale requirements of major retailers for conventional lines of fruit juice, such as orange juice, while also allowing us to innovate by introducing competitive new product lines involving custom recipes of vegetable juices and super juices with special nutritional attributes.

Notwithstanding our bias towards cutting edge innovation, the core of Hoogesteger's business is strong and benefits from structured long-term relationships with our principal retail customers. Hoogesteger's net earnings grew by 4% on the 2014 result. We are pleased that we have continued to deliver exceptional products within exacting service standards, whilst continuing to lead in new product development.

Mavis Bank Coffee Factory Limited ("MBCF") continues to be a leader in the processing of Jamaica Blue Mountain Coffee (JBM). With the 2014/2015 season delivering one of the smallest JBM crops in recent history the general market position is challenging. Accordingly, our cherry purchasing programmes had to adapt both by directly increasing the prices paid to farmers, which grew on average by around 90% year-on-year, and through expanding our investments in farmer extension projects such as the provision of fertiliser and pest control material, coffee seedlings and the delivery of training in best practices for coffee husbandry. The strengthened cherry purchasing programme saw MBCF purchase over 25% of the available crop. We also continued to invest in expanding production at our own farm, and were pleased that our farm was for the first time among our leading individual suppliers of the 2014/15 crop.

Following losses in 2014, MBCF was successful in both securing more favourable customer contracts in 2015 as well as structurally reducing its fixed cost base. Overall this allowed the business to achieve a significant turnaround in profitability. Moreover, MBCF believes that the significant investments made in paying higher prices to coffee farmers and in providing them with general extension services will play an important part in growing the supply of Jamaica Blue Mountain Coffee and will ultimately improve the overall profitability of the industry.

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

JP Tropical Snacks is a leading producer, marketer and distributor of branded tropical snack products. The business operates under the St Mary's and Monte Cristi brands in the Caribbean and internationally and packages tropical snacks for third-party brands in English and Spanish language markets across the region.

2015 saw significantly improved results for this business. This was driven by strong growth in both Jamaican and international revenues. Within Jamaica our revenues grew by 20% year-on-year and our international sales grew by 22%. This arose from a combination of strong volume growth and selective customer re-pricing.

A strong focus on cost and investment in new frying capacity in the Dominican Republic saw unit costs stay flat even though some of our core raw material inputs saw above inflation

price increases. As the business was successful in holding both production and administrative costs at 2014 levels, this allowed for additional investments in sales and marketing initiatives that we expect to continue to benefit us in 2016.

JP Tropical Farms operates 400 acres of farms in the parish of St Mary. The vertically integrated business handles the growing, marketing, cold storage and distribution of fresh produce including bananas, pineapples, cassava, coconuts and sweet potatoes.

The focus of this business has been on improving operational efficiencies, agricultural yields in our traditional products and increasing gross profits through the diversification of our product range and the improved utilisation of our land holdings. During 2015 we made considerable progress on these objectives. Operationally we grew our banana revenues by 18% on the prior year and managed to ensure that unit cost growth was contained. Our diversification practices, which are aimed at effectively

utilising our land acreage as well as giving the business hurricane resilience, saw our non-banana revenues grow by 73%. These revenues still represent less than 20% of the gross revenues of the business, but we expect the rate of increase to grow as more new crops come on-stream. In 2015 we began the wholescale cultivation of sweet potatoes and expanded our pineapple and cassava acreage collectively by nearly 25%. We also invested in plant and equipment to drive efficiencies from the mechanisation of key farm practices. A 57% expansion of the marketing and sales promotions budget benefited revenues in 2015 and will continue to support revenue growth in 2016.

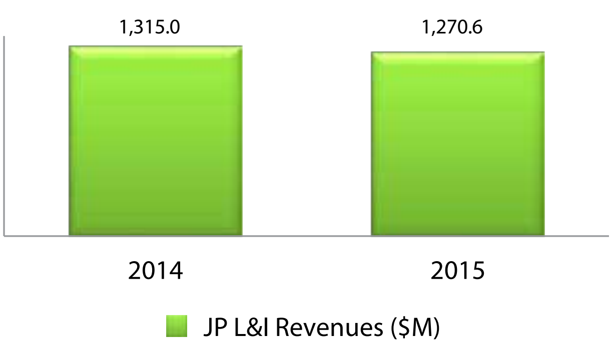
The central challenge for JP Tropical Farms has been to redeploy its infrastructure and expertise from its historical UK-focused banana business that faced tremendous competitive pressure from low wage countries and major hurricane-related risks. The structural changes required of the business were of a long-term nature because the programme of disciplined crop diversification requires cycles of testing under our growing conditions before we can introduce large-scale commercial acreages. In the case of pineapples, a 14-month cycle is required for each crop and in the case of cassava, it takes the better part of a year. We believe that the process of structural change is now at an inflection point where a clear platform for long-term profitable growth is available to us. This platform is underpinned by our decision to be pioneers in the introduction of new varieties of cassava, pineapple and sweet potato that can serve high value commercial opportunities on the domestic and international markets.

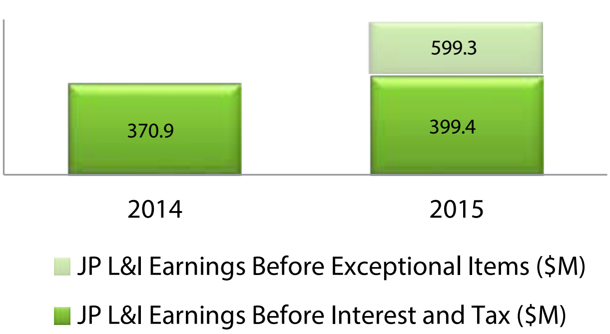
Tortuga International Holdings Limited ("Tortuga") operates the manufacturing, marketing and distribution of the Caribbean's leading food souvenir product, the Tortuga Rum Cake. The business manages manufacturing and distribution facilities in Florida, Barbados, Cayman and Jamaica as well as retail outlets in Barbados and Jamaica and a franchise operation in the Bahamas. The product is listed for sale in major international transit points in the Caribbean and Florida, including cruise ports and airports as well as on over 100 cruise ships. We also maintain an e-commerce presence and a strong gift season business with major retailers across the USA and the Caribbean.

Tortuga invested heavily in marketing and sales initiatives in 2015 and experienced moderate revenue growth. Overall, the business profitability was adversely affected as our revenue growth did not keep up with the increased expenditure on marketing overheads. We believe the business is commercially well placed to seize the targeted revenue opportunities in 2016 and beyond and will see improved profits.

Operationally, the business began a process to reduce costs through consolidation. This led to the exit of our bakery in Montego Bay and the commissioning of a high specification purpose built facility in Kingston. We expect this to be operational by the end of 2016 and this will transform the cost, production efficiency and effectiveness of the organisation.

JP Logistics & Infrastructure
The major holdings and operations in the JP Logistics & Infrastructure division are in logistics, transportation and port operations. The division is also involved in the mining and production of construction aggregates. The largest component of the division, Kingston Wharves Limited, is not consolidated into the revenues of the Group due to it being designated for accounting purposes as an associated company rather than as a subsidiary.





The division reported reduced revenues of 4% with strong growth in our logistics business being offset by reduced mining revenues following the closure of the loss-making mining plant in Clarendon at the end of 2014. The mining business has been severely affected by drought conditions that have constrained the supply of river aggregates across Jamaica. During the year, the Group elected to review its commitment to this business and arising from this review took a one-off exceptional write-down of $197 million in the value of plant and equipment and inventory in the mining and aggregates subsidiary. The earnings of the JP Logistics & Infrastructure division grew by a solid 61% before accounting for this exceptional item but, when adjusted for the charge grew by only 8%.

Earnings growth in JP Logistics and Infrastructure benefited from an incremental 12% interest in Kingston Wharves acquired in Quarter 4, 2014, and from strong growth in the Kingston Wharves' and JP Shipping Services' operations.

Kingston Wharves Limited ("KW") is recognized as the leading private multi-purpose port terminal operator in the Caribbean. The company operates a comprehensive range of terminal equipment across its 1,655 metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerized and bulk cargo vessels. KW is also listed on the Jamaican Stock Exchange. JP owned 42% of KW throughout 2015.

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KW's underlying revenues increased by 22% on the back of increasing domestic and transhipment volumes handled in most cargo categories. This increasing volume leveraged the fixed costs of the business and contributed to an increase in gross margins from 44% to 46%. Below inflationary increases in administrative costs and falling finance costs offset an increase in the tax charge and contributed to an overall 49% increase in shareholders' earnings.

JP's total comprehensive earnings from KW in 2015 was $538 million, up by 66% from $342 million in 2014. Our net book investment in KW rose to $4.3 billion. This compares to a market value of $6.8 billion based on the closing price per share at 31 December 2015.

JP Shipping Services Limited is the UK leader in full service Caribbean focused logistics. Its management and staff have significant experience in the Europe to Caribbean logistics trade and manage an operations depot in the London heartland of the Caribbean diaspora.

2015 saw the business increase its local currency (GBP) revenues by 8%, primarily from increasing volumes. This led to a 56% increase in net after tax profits, and represents the fourth year in a row of double digit profit growth, and follows a 60% earnings growth in 2014. The revenue growth arose from continuation of the management's customer service driven revenue projects and an expansion of marketing activities in the UK based Caribbean diaspora. This was also achieved in the face of a weakened British pound, compared to 2014, which increased the unit cost of freight.

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

The business has been operating in a challenging environment for the last two years with the continuing drought conditions causing reduced access to the key raw material supplies required to produce the finished products and the water required in the production process. As previously reported during 2014, FRM elected to withdraw from its Clarendon site following the major raw material shortages which escalated unit costs for the extraction and processing of aggregate, as well as a decision by the Government to limit mining operations in the area.

Whilst the Agualta Vale site operated with sufficient raw material and water supply throughout 2014, during 2015 the situation became increasingly challenging with further drought conditions increasing costs and causing significant operating losses. The operating losses and the limited access to raw material led JP to conduct a thorough review of our investment in Q4 2015 and to conclude that it is not core to the Group's operations and strategy. During Q1 2016 we expect to transition the business to a model that generates shareholder value through royalties derived from third party companies operating and extracting aggregate from our land holdings.

In line with accounting standards the business took a $197 million write-down on the value of its equipment and inventory following the losses and impending business transition.

Financial Position Review

Total shareholders' equity grew by 9.1% to $6.4 billion, representing $34.21 per stock unit.

Stockholders' funds per stock unit ($)

Foreign currency exchange rates had less of an impact on the balance sheet than on the income statement with the movement in the point to point exchange rates used for retranslating non-Jamaican dollar balance sheets being less extreme than the movement in the average rates used for the Income Statement. A 6% depreciation of the euro was largely offset by a 5% appreciation of the US dollar such that overall currency retranslation movements only accounted for a 0.5% fall in stockholders' equity.

The Group's total assets grew by 3% to $10.2 billion. Underlying this were some notable movements, with our interest in joint venture and associates growing by $405 million or 10% following strong earnings from KW and MBCF. The operational asset base of our subsidiaries, such as property, plant and equipment was reduced in value by $209 million or 10%, largely from the exceptional write-down at Four Rivers. The Group continues to invest in capital equipment to drive our continuous improvement and revenue strategies, and in 2015 we spent over $350 million on property, plant and equipment additions. Our capital expenditure approval processes are rigorous and focused around meeting return on investment targets.

Total liabilities reduced by 2% to $3.7 billion. Total long-term debt which represents $2.1 billion of this, grew marginally in the year, but our total leverage remains comfortable with a long-term debt to equity ratio of 35%, down from 37% in the prior year. The Group regularly monitors our liquidity and our loan covenants, which were all comfortably met in 2015.

Dividends

JP declared dividends of 40 cents per share in 2015, representing a total dividend pay-out of $75 million or approximately 9.4% of shareholders' earnings. This was a 100% increase on the prior year dividend of 20 cents per share. Our dividend is designed to balance the needs of the company for capital to finance its growth with the importance of providing annual distributions to shareholders.

The Outlook

Over the last five years JP has pursued a strategy centred on acquisitions and structured investments in new ventures. This strategy was expressly designed to develop two new lines of business – Logistics & Infrastructure and Food & Drink. These businesses were deemed by us to present strong and diverse opportunities for growth. Moreover, they complemented our core banana business by allowing us to leverage the expertise and assets inherent in this business to overcome the challenges that it presented.

Looking forward, the major goal will be to harvest the full potential of each of our businesses by improving operating discipline and performance, and driving organic revenue growth through new markets and new products. This will be accomplished by realising operating synergies among our businesses and from the opportunity to cross-sell the products of one business to the customers of another. This will allow for further gains to our profitability. We are satisfied that we have the right organisation in place to execute on our business development programme and are particularly pleased that our entire management team has embraced the need to orient itself towards the current priorities. We are very optimistic about the prospects for this phase of the Group's development.

Risks

As with all organisations, JP is exposed to risks. Our internal risk management focuses our governance procedures on risk identification, risk analysis, risk controls, and risk monitoring. JP continues to invest to support our risk management processes.

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

JP has an experienced and structured internal audit function, managed by a dedicated member of the group executive team, that reports to the Audit Committee and works with management through the businesses to identify, manage and eliminate or mitigate financial risks.

JP's core risks can be categorised into two areas: operational and financial.

Operational Risks

These are risks inherent in our business operations:

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

   The core risk management polices revolve around strong resilience plans, both internal and third party, and ensuring that cost effective, comprehensive insurance policies are in place. In 2013 we were among one of the first companies in the Netherlands to be ISO22301:2012 certified in business continuity practices whilst in the Caribbean having residual capacity in our snack business has provided a continuity of supply following natural disasters.

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

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

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

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

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

1) **Currency Risk.** With an asset base and revenues derived in multiple currency environments, JP's multinational businesses expose it to substantial gains and losses on foreign exchange. JP's prime exposure is to the euro, US dollar and British pound.

   At a business unit level, each operation naturally hedges as far as possible any currency risks in income and expenses through the choice of transactional currency. JP did not seek to enter into any foreign currency derivative or hedging instrument in 2015 or in the last 5 years.

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

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

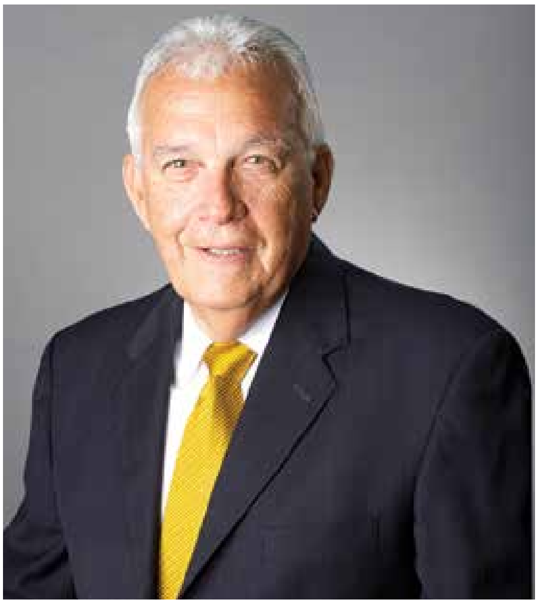
   At a business unit level, each operation manages credit risk according to the environment in which it operates. Each unit assesses trading relationships, in conjunction with financial information, and sets limits on the amount of exposure placed on that relationship. The Group has established credit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

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

   JP has a moderate level of debt with a debt to equity ratio of 35% in 2015. Of the interest-bearing debt at the end of 2015 the majority is in Jamaica and denominated in Jamaican dollars. We have a bias in Jamaica to fixed currency rates or capped variable rates in order to mitigate risk of future interest rate volatility. Our overseas debt has a blend of fixed and variable interest rates to balance our exposure.

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

BOARD OF DIRECTORS



Charles H. Johnston
Chairman

Jeffrey McG. Hall
Group Managing Director

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

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

Oliver F. Clarke

Patricia R. Francis

The Hon. Oliver F. Clarke OJ, JP, BSc (Econ.), FCA, LLD (Hon.) is the Chairman of the Jamaica National Building Society, 1834 Investments Limited and The Gleaner Company (Media) Limited. He was appointed to the Board of Jamaica Producers in 2008 and serves on the boards of several other companies. He is a Past President of the Private Sector Organization of Jamaica and was inducted into their Hall of Fame in 1997. In 1998, Mr. Clarke was awarded the Order of Jamaica.

Patricia R. Francis CD, BSc a global trade and development expert, was Chairman of the Public Sector Transformation and Modernisation Committee from 2014-2016 and is the former Executive Director of the International Trade Centre ("ITC"), a joint agency of the World Trade Organisation and the United Nations. Prior to joining the ITC, Mrs. Francis served as the president of JAMPRO (Jamaica Trade and Invest). She also served twice as the President of the World Association of Investment Promotion Agencies, the China-Caribbean Business Council and the Commonwealth's Eminent Persons Group. She currently serves on the advisory boards of the IESE Graduate Business School, SciencePo Masters in Public Administration, B & D Trawling Limited and is a member of the African Caribbean & Pacific ("ACP") Eminent Persons Group, reviewing the ACP future relationships with the European Union. Mrs. Francis is also currently the interim head of the Secretariat for the UN Secretary-Generals High Level Panel on Women's Economic Empowerment and was appointed to the Board of Jamaica Producers Group in 2013. In 2006 she was conferred with the Commander of the Order of Civil Merit by the Government of Spain, and in 2015 was conferred with the Order of Distinction in the Class of Commander by the Government of Jamaica.

BOARD OF DIRECTORS Cont'd

Sanya M. Goffe

Marshall McG. Hall

Sanya M. Goffe LLB (Hons.), LEC is a partner at Hart Muirhead Fatta, Attorneys-at-Law and was appointed to the Board of Jamaica Producers Group in 2015. Mrs. Goffe is an Associate Tutor at the Norman Manley Law School and serves on the boards of National Commercial Bank Jamaica Limited, the Jamaica Railway Corporation and the Pension Funds Association of Jamaica. She is a graduate of the University of the West Indies and the Norman Manley Law School. An active member of the Jamaica Bar Association, Mrs Goffe serves as a member of the Bar Council, the Publications Committee and the Intellectual Property Law Committee.

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

Dahlia E. Kelly

Kathleen A.J. Moss

Dahlia E. Kelly BSc is Managing Director of Patsy Kelly and Associates, an Executive Placement Service. She was appointed to the Board's Audit Committee in 2016, she is a member of the Board's Executive Committee and has served in various positions at Jamaica Producers Group. Mrs. Kelly is also a Trustee of the Sydney A. Phillips Scholarship Trust. She has served as a Director of Jamaica Producers Group since 1988.

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

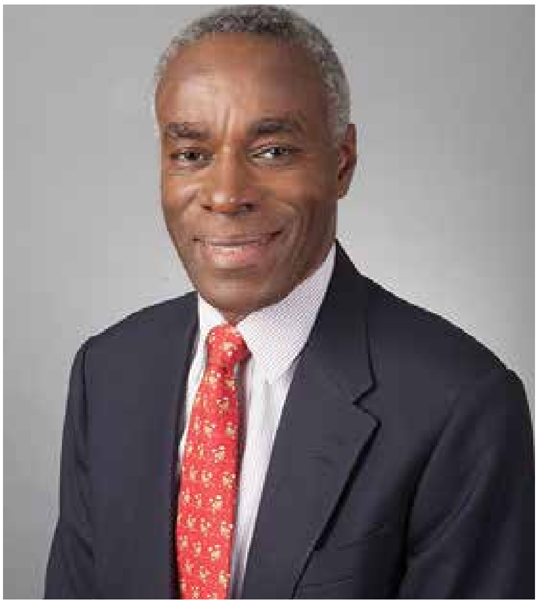
BOARD OF DIRECTORS Cont'd

Donovan H. Perkins

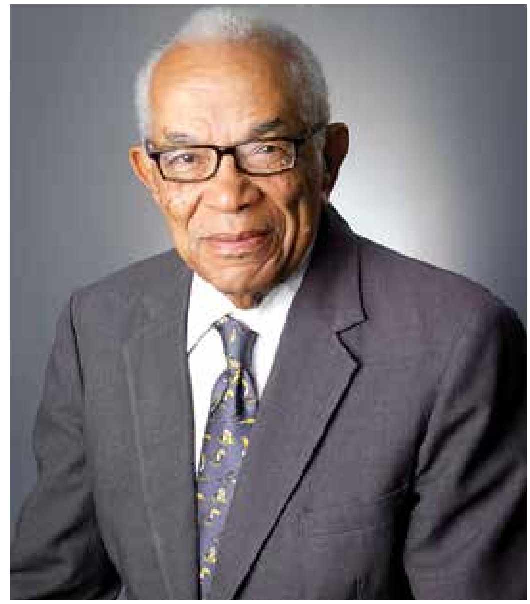
Grantley St. J. Stephenson

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

Grantley St. J. Stephenson CD, JP, FJIM, MBA is the Managing Director of Kingston Wharves Limited. He joined the Board of Jamaica Producers Group in 2015. Mr. Stephenson is the Honorary Consul General for the Kingdom of Norway and is the Dean of the Consular Corps of Jamaica. He is a director of the Security Administrators Limited, the Shipping Association of Jamaica and the Shipping Association of Jamaica Property Limited, and is a fellow of the Jamaica Institute of Management. He holds a Masters in Business Administration from the University of the West Indies and is a graduate of the University of Technology and the University of Plymouth. In 2007 he was conferred with the Order of Distinction in the Class of Commander, and in 2013 he was awarded the Royal Norwegian Order of Merit, that country's highest non-national award.



Alvin G. Wint



Aubrey E. Ffrench

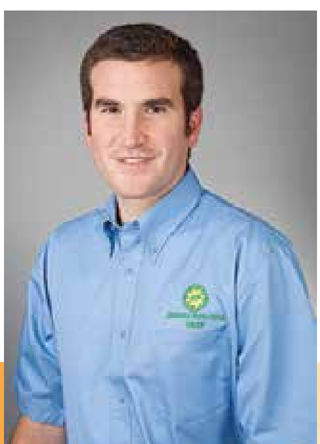
Alvin Wint CD, BSc, MBA, DBA is Professor of International Business and Special Adviser (External Relations) to the Vice Chancellor of the University of the West Indies. He has served the UWI in various capacities, including as a Pro Vice Chancellor. He joined the Board of Jamaica Producers Group in 1998 and is a member of the Group's Audit Committee. He also serves on the board of the National Commercial Bank Jamaica Limited (NCB) and several of its subsidiaries and is the Chairman of the NCB Group Audit Committee. Professor Wint serves as Chairman of the Statistical Institute of Jamaica and provides public service in many other capacities nationally and regionally. He holds a doctorate in International Business from Harvard University, has published extensively in the fields of international competitiveness and international investment policy and has provided advisory services to several multilateral institutions. He has received numerous scholarly and professional awards including the UWI Vice-Chancellor's Award for Excellence. In 2015 Professor Wint was conferred with the Order of Distinction in the Class of Commander.

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

EXECUTIVE TEAM

Corporate Office

Jeffrey McG. Hall - CEO



Alan Buckland - Group Finance Director

Paul Samuels - Group Financial Controller & Company Secretary

David Martin - Director, Business Support

Cheryl Wright - Director of Risk Management

Florence Reid - Group Quality & New Product Development Manager

V. Andrew Whyte - Group Treasurer

Lisa McG. Johnston - Corporate Affairs Manager

Taneka Whyte - Accountant, Corporate Division

Hoogesteger (Subsidiary Company)

Michiel van 't Hek - General Manager

Marco Zohlandt - Financial Controller

JP Tropical Foods (Subsidiary Company)

Benjamin Valdez - General Manager - JP Snacks

Antoinette Livingston - Financial Controller

D. Neil Crum-Ewing - Commercial Manager

Damian Graham - General Manager - JP Farms

JP Shipping (Subsidiary Company)

Robert Smith - General Manager

Stephen Price- Financial Controller

EXECUTIVE
TEAM Cont'd

Tortuga International (Subsidiary Company)

Marcus Simmonds - General Manager

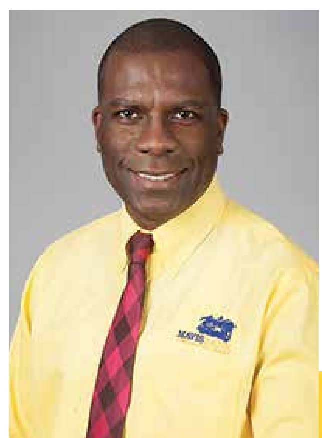
Dianne Tomlinson-Smith - Financial Controller

Four Rivers (Subsidiary Company)

Noel McKenzie JP - General Manager

Peta-Gaye Yorke - Financial Controller

Mavis Bank (Joint Venture Company)



Norman Grant JP - Managing Director

Desrene Blake - Financial Controller

Kingston Wharves (Associated Company)

Grantley Stephenson CD, JP - CEO

Clover Moodie - Group Chief Financial Officer

DIRECTORS' REPORT

The Directors present this report, the Chairman's Statement and the Audited Financial Statements of the Company and the Group for the year 2015 to the 79th Annual General Meeting.

FINANCIAL STATEMENTS

The Group's financial statements are shown on pages 38 to 86 of this publication.

Highlights are:

	2015 $M	2014 $M
Gross Operating Revenue	8,706	8,817
Group Attributable Profit	792	358
Retained earnings January 1	3,355	3,073
Retained earnings December 31	4,018	3,355
Profit per stock unit:-		
based on stock units in issue	423.61¢	191.54¢
after excluding stocks held by the ESOP	463.04¢	210.04¢
Stockholders' Funds per stock unit at December 31, net of stock units held by the ESOP, amounted to	$37.37	$34.34

DIVIDENDS	$'000	$'000
Interim of 40 cents (2014 - 20 cents) per ordinary stock unit – paid January 29, 2016 (2014 paid January 29, 2015)	74,810	37,405

No final dividend is recommended in respect of 2015.

AUDITORS

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

DIRECTORS

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

The Hon. Emil C. George (deceased) and Mr. John O. Minott demitted office as directors during the year and Mrs. Sanya M. Goffe and Mr. Grantley St. J. Stephenson were appointed to fill the vacancies created thereby. Mrs. Goffe and Mr. Stephenson retire, and being eligible, offer themselves for re-election in accordance with the Articles of Incorporation. Also, the Hon. Oliver F. Clarke retires by rotation and being eligible, offers himself for re-election in accordance with the Articles of Incorporation.

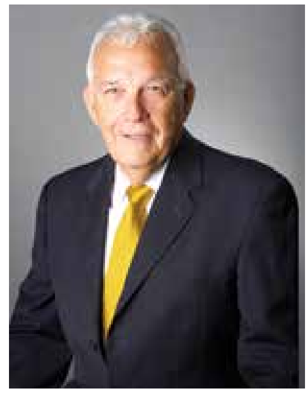
C. H. Johnston
Chairman
April 15, 2016

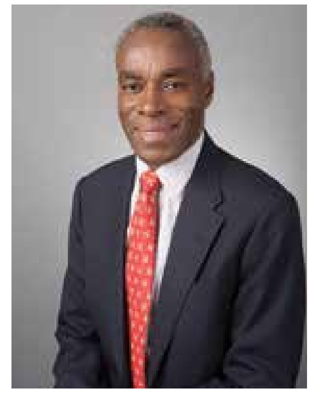
BOARD COMMITTEES

AUDIT COMMITTEE


Mrs. Kathleen Moss - Chair


Dr. the Hon. Marshall Hall


Mr. Charles Johnston


Prof. Alvin Wint

Composition

The Audit Committee is appointed by the Board and consists of at least three (3) members who should be Non-Executive Directors, the majority of whom should be identified by the Board as independent. The Board Chairman shall not be appointed Chairman of the Audit committee. At the end of 2015 this committee comprised three Non-Executive Directors of which two have been identified by the Board as independent.

The Board has subsequent to year-end 2015 identified and appointed an independent Non-Executive Director to replace another such Director who resigned in the year.

Functions

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

COMPENSATION AND HUMAN RESOURCES COMMITTEE (CHRC)


Mr. Charles Johnston - Chair


Dr. the Hon. Marshall Hall


Mrs. Kathleen Moss

Composition

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

Functions

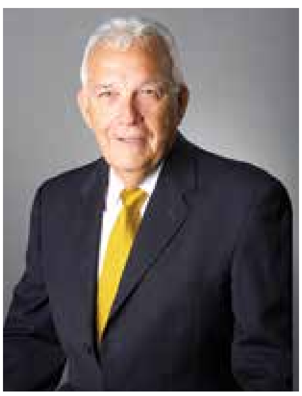
This committee is responsible for keeping under review the composition of the Board and succession to it.
The CHRC makes recommendations to the Board in consultation with the Company's Chairman and Group Managing Director concerning potential appointments, having regard to the balance and structure of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

The CHRC serves inter alia to:

- Nominate potential candidates and evaluate the suitability of those candidates for future Board membership
- Propose potential candidates to the Board for approval
- Approach the potential candidate and upon positive response, introduce the candidate to the Board

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

EXECUTIVE COMMITTEE


Mr. Charles Johnston - Chair


Mr. Jeffrey Hall


Dr. the Hon. Marshall Hall


Mrs. Dahlia Kelly


Mrs. Kathleen Moss

Composition

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

Functions

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

Directors' Attendance

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

* Resigned from Audit Committee March, 2015

** Appointed to Board November, 2015 *** Resigned from Board November, 2015

STOCKHOLDINGS OF DIRECTORS AND OFFICERS

December 31, 2015

	Personal shareholdings	Shareholdings in which Director/Officer has a controlling interest	Total
DIRECTORS			
The Hon. O. F. Clarke	-	1,674,849	1,674,849
Mrs. P. R. Francis	-	-	-
Mrs. S. M. Goffe	-	-	-
Mr. J. McG. Hall	3,839,743	-	3,839,743
Dr. the Hon. M. McG. Hall	-	16,769,284	16,769,284
Mr. C. H. Johnston	647,389	12,099,090	12,746,479
Mrs. D. E. Kelly	121,833	89,700	211,533
Mrs. K.A.J. Moss	2,708,238	3,351,840	6,060,078
Mr. D. H. Perkins	21,812	-	21,812
Mr. G. St. J. Stephenson	-	-	-
Prof. A.G. Wint	8,228	-	8,228
OFFICERS			
Mr. Alan Buckland	95,381	-	95,381
Mr. Paul Samuels	23,041	-	23,041
TRUSTEES			
Jamaica Producers Group Limited ESOP	15,779,790	-	15,779,790

TOP TEN STOCKHOLDERS

December 31, 2015

McGowan Properties Limited	16,769,284
Trustees - Jamaica Producers Group Limited ESOP	15,779,790
Lennox Portland Ltd. et al	12,746,479
Sagicor Pooled Equity fund	6,950,000
National Insurance Fund	6,231,401
David and Kathleen Moss	6,060,078
Mayberry West Indies Bank Limited	4,235,815
Sagicor Life Jamaica Limited	4,019,852
Jeffrey McGowan Hall	3,839,743
JCSD Trustee Services Ltd. - Sigma Optima	3,000,000

THERE FOR
OUR COMMUNITY

Minister of Agriculture & Fisheries, the Hon. Derrick Kellier, harvests the first JP Sweet Potatoes at JP Farms

Miss Jamaica Universe visits Tortuga Cayman and is treated to the world's favourite Tortuga Rum Cake

Patrons enjoying JP's offerings at the St. Mary Agri Expo

Hoogesteger sponsors their local Don Bosco scouting camp in Holland

JP's annual treat for the boys of the Jamaica Christian Boys Home

JP Tropical Foods wins the Most Improved Exporter and the Champion Trader (Category I) awards at the Jamaica Exporters Association Export Awards

THERE FOR EDUCATION

Escuela Rio Viejo students take an educational tour of the JP Snacks factory in the Dominican Republic and are treated to St. Mary's snacks

Nourishing young bright minds with JP bananas at the Trench Town Reading Centre Summer School

JP awards the prize to the school with the Best Agricultural Programme, Pisgah All Age School, at the Jamaica Environment Trust Schools' Environment Programme Awards

JP supports tertiary level students from the parish of St. Mary through the Sydney A. Phillips Scholarship Trust

THERE FOR THE CAUSE

Team Hoogesteger participates in the Dam to Dam run in Holland


NEWS

'DOMINICA CANNOT REBUILD BY ITSELF'

JP Shipping leads international support for the reconstruction of the Caribbean island devastated by a tropical storm

JN Money Transfer waives fees for Dominica

JP Shipping lends a helping hand to the people of Dominica after a tropical storm devastated the island


The JP Sigma Fund Run team showing their team spirit for a cause

Tortuga Cayman Walks for the Cure

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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the consolidated financial statements of Jamaica Producers Group Limited and its subsidiaries ("the group"), set out on pages 38 to 86, which comprise the group balance sheet as at December 31, 2015, the group profit and loss account, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the group as at December 31, 2015, and of the group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Additional reporting requirements of the Jamaican Companies Act

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

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2016

GROUP BALANCE SHEET
December 31, 2015

	Notes	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(c)	361,091	322,281
Short-term investments	3(d),4	-	283
Securities purchased under resale agreements	3(e),5	355,500	148,730
Accounts receivable	6	1,071,138	993,898
Taxation recoverable		10,065	10,121
Inventories	7	374,536	492,300
Total current assets		2,172,330	1,967,613
CURRENT LIABILITIES			
Credit facilities		84,821	57,069
Accounts payable	8	1,411,980	1,564,747
Taxation		56,019	42,879
Current portion of long-term loans	19	194,013	106,155
Total current liabilities		1,746,833	1,770,850
WORKING CAPITAL		425,497	196,763
NON-CURRENT ASSETS			
Biological assets	9	135,534	134,773
Interest in associated companies and joint venture	10	4,652,062	4,246,761
Investments	12	280,766	358,095
Intangible assets	14	1,174,643	1,193,198
Deferred tax assets	15	956	2,226
Property, plant and equipment	16	1,831,912	2,040,780
Total non-current assets		8,075,873	7,975,833
Total assets less current liabilities		8,501,370	8,172,596
EQUITY			
Share capital	17	18,702	18,702
Reserves	18	6,380,304	5,844,991
Attributable to equity holders of the parent		6,399,006	5,863,693
NON-CONTROLLING INTEREST	11	161,458	322,044
Total equity		6,560,464	6,185,737
NON-CURRENT LIABILITIES			
Long-term loans, being total non-current liabilities	19	1,940,906	1,986,859
Total equity and non-current liabilities		8,501,370	8,172,596

The financial statements on pages 38 to 86,were approved for issue by the Board of Directors on March 1, 2016 and signed on its behalf by:

____________________ Chairman
C. H. Johnston

____________________ Managing Director
J. Hall

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

GROUP PROFIT AND LOSS ACCOUNT

Year ended December 31, 2015

	Notes	2015 $'000	2014 $'000
Gross operating revenue	20	8,705,924	8,817,029
Cost of operating revenue		(6,691,496)	(6,846,671)
Gross profit		2,014,428	1,970,358
Marketing, selling and distribution costs		(650,530)	(610,190)
Administration and other operating expenses		(1,349,239)	(1,357,749)
Profit from operations		14,659	2,419
Share of profit in associated companies and joint venture		688,371	342,157
Net gain from fluctuations in exchange rates		11,771	5,591
Gain on disposal of property, plant and equipment and investments		432,787	171,437
Restructuring costs	1	(223,797)	-
Other income		69,564	30,011
Other expenses		(38,308)	(18,625)
Profit before finance cost and taxation		955,047	532,990
Finance cost - interest	21	(206,664)	(128,085)
Profit before taxation		748,383	404,905
Taxation charge	23	(133,808)	(86,079)
Profit for the year	24	614,575	318,826
Attributable to:			
Parent company stockholders		792,256	358,220
Non-controlling interest		(177,681)	(39,394)
		614,575	318,826
Dealt with in the financial statements of:			
The company		269,268	219,573
Subsidiary companies		(120,035)	(182,440)
Associated companies and joint venture	10(e)	643,023	321,087
		792,256	358,220
Profit per ordinary stock unit:	25		
Based on stock units in issue		423.61¢	191.54¢
After exclusion of stock units held by ESOP		463.04¢	210.04¢

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

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2015

	2015 $'000	2014 $'000
Profit for the year	614,575	318,826
Other comprehensive loss:		
Items that may be reclassified to profit or loss:		
Exchange (losses)/gains on translating foreign operations	(28,130)	25,827
Share of other comprehensive loss of associated companies	(60,238)	(42,535)
Net change in fair value of available-for-sale investments	1,892	39,760
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	(103,246)	(161,646)
	(189,722)	(138,594)
Total comprehensive income for the year	424,853	180,232
Attributable to:		
Parent company stockholders	585,439	191,484
Non-controlling interest	(160,586)	(11,252)
	424,853	180,232

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

GROUP STATEMENT OF CHANGES IN EQUITY
Year ended December 31, 2015

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

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

GROUP STATEMENT OF CHANGES IN EQUITY (Cont'd)

Year ended December 31, 2015

	Share capital $'000 (note 17)	Share premium $'000 (note 18)	Capital reserves $'000	Fair value reserve $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders' equity $'000	Non - controlling interest $'000	Total equity $'000
Balances at December 31, 2014	18,702	135,087	2,391,553	135,699	(172,199)	3,354,851	5,863,693	322,044	6,185,737
Total comprehensive income:									
Profit for the year	-	-	-	-	-	792,256	792,256	(177,681)	614,575
Other comprehensive income/(loss)									
Exchange (losses)/gains arising on retranslation of foreign operations	-	-	(45,225)	-	-	-	(45,226)	17,095	(28,130)
Share of other comprehensive loss of associated companies	-	-	-	-	-	(60,238)	(60,238)	-	(60,238)
Net change in fair value of available-for-sale investments	-	-	-	1,892	-	-	1,892	-	1,892
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(103,246)	-	-	(103,246)	-	(103,246)
Total other comprehensive loss	-	-	(45,225)	(101,354)	-	(60,238)	(206,817)	17,095	(189,722)
Total comprehensive income for the year	-	-	(45,225)	(101,354)	-	732,018	585,439	(160,586)	424,853
Transactions with owners of the company									
Own shares sold by ESOP	-	-	-	-	11,918	-	11,918	-	11,918
Distributions to stockholders (note 26)	-	-	-	-	-	(68,498)	(68,498)	-	(68,498)
Unclaimed distributions to stockholders (note 26)	-	-	6,454	-	-	-	6,454	-	6,454
	-	-	6,454	-	11,918	(68,498)	(50,126)	-	(50,126)
Balances at December 31, 2015	18,702	135,087	2,352,782	34,345	(160,281)	4,018,371	6,399,006	161,458	6,560,464
Retained in the financial statements of:									
The company	18,702	135,087	1,620,610	34,185	-	2,859,255	4,667,839		
Subsidiary companies	-	-	732,172	160	(160,281)	62,166	634,217		
Associated companies and joint venture	-	-	-	-	-	1,096,950	1,096,950		
Balances at December 31, 2015	18,702	135,087	2,352,782	34,345	(160,281)	4,018,371	6,399,006		

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

GROUP STATEMENT OF CASH FLOWS

Year ended December 31, 2015

	Notes	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Adjustment for:			
Profit for the year attributable to parent company stockholders		792,256	358,220
Adjustments for:			
Items not affecting cash:			
Depreciation and impairment losses – property, plant and equipment	16	458,816	266,117
Amortisation and impairment losses – biological assets	9	39,941	24,145
Amortisation and impairment losses – intangible assets	14	35,391	35,528
Exchange movement in working capital		(10,973)	(57,791)
Current taxation charge	23(a)	132,578	85,757
Deferred tax, net	23(a)	1,230	322
Gain on acquisition of subsidiaries	13	-	(30,011)
Impairment allowance against long term receivables	12	38,308	18,625
Gain on disposal of property, plant and equipment and investments		(432,787)	(171,437)
Share of profit in associated companies and joint venture		(706,409)	(299,622)
Non-controlling interest in profit for the year		(160,586)	(11,252)
Amortisation of bond issue cost	19	7,634	7,795
Dividend income		(69,564)	-
Interest earned	21	(12,637)	(19,033)
Interest expense	21	206,664	128,085
		319,862	335,448
(Increase)/decrease in current assets:			
Accounts receivable		(72,840)	(94,579)
Taxation recoverable		56	20,525
Inventories		117,764	49,212
Increase/(decrease) in current liabilities:			
Accounts payable		(189,871)	197,842
Tax paid		(57,300)	(40,226)
Net cash provided by operating activities		117,671	468,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Biological assets	9	(40,702)	(30,760)
Short-term investments		283	89,801
Interest received		8,237	10,612
Securities purchased under resale agreements		(206,773)	(111,338)
Additions to property, plant and equipment	16	(350,994)	(342,905)
Proceeds from disposal of investments and property, plant and equipment, net of own shares acquired by ESOP		503,790	224,711
Acquisition of subsidiaries, net of cash acquired		-	2,974
Interests in associated companies and joint venture		183,218	(1,121,097)
Long-term loans receivable		-	1,826
Net cash provided/(used) by investment activities		97,059	(1,276,176)

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

GROUP STATEMENT OF CASH FLOWS (Cont'd)

Year ended December 31, 2015

	2015 $'000	2014 $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term credit lines	27,752	3,478
Long-term loans	39,172	849,948
Interest paid	(204,864)	(95,350)
Distributions to stockholders, net	(26,737)	(26,864)
Net cash (used)/provided by financing activities	(164,677)	731,212
Net increase/(decrease) in cash and cash equivalents	50,053	(76,742)
Cash and cash equivalents at beginning of the year	322,281	398,920
Exchange (losses)/gains on foreign currency cash and cash equivalents	(11,243)	103
Cash and cash equivalents at end of the year	361,091	322,281

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2015

1. The company

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

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

During the prior year, the group acquired an additional 11.59% of shares in Kingston Wharves Limited (KW) which, resulted in the group holding 42% of the issued shares of that company (note 10).

During the year the group's subsidiaries undertook a number of restructuring activities that gave rise to one-off costs totalling $223,797,000 (2014: Nil). A summary of these items are listed below:

	2015 $'000
Impairment of property plant and equipment (i)	178,000
Impairment of inventory (i)	19,000
Closure of baking facility (ii)	5,863
Other staff related restructuring costs (iii)	20,934
Total restructuring expense	223,797

(i) The impairment of property, plant and equipment occurred following an impairment review of the group's Jamaican mining and aggregates operation. The impairment arose following a sustained period of losses arising from (a) the emergence of drought conditions which affect raw material supply and (b) increases in operating costs making the operations structurally loss-making. As a result, the group adjusted the carrying value of property, plant and equipment and inventory to reflect recoverable amounts.

(ii) The closure of baking facility includes staff redundancy costs and property, plant and equipment impairment following the planned closure of a subsidiary's baking facility in Jamaica, as part of a bakery consolidation programme.

(iii) Other staff-related restructuring relates to costs incurred in both the mining and aggregates operation and within the Corporate segment for staff separation.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

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

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

(a) Statement of compliance (continued):

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

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

(a) Statement of compliance (continued):

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

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

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

- Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation,* are effective for accounting periods beginning on or after January 1, 2016.

  - The amendment to IAS 16, *Property, Plant and Equipment* explicitly states that revenue-based methods of depreciation cannot be used. This is because such methods reflect factors other than the consumption of economic benefits embodied in the assets.

  - The amendment to IAS 38, *Intangible Assets* introduces a rebuttable presumption that the use of revenue-based amortisation methods is inappropriate for intangible assets.

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

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

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

(a) Statement of compliance (continued):

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

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

- *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'.

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

(a) Statement of compliance (continued):

- *Improvements to* IFRS*, 2012-2014* (continued)

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

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

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

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

(b) Basis of preparation:

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

(c) Use of estimates and judgements:

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

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

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

(c) Use of estimates and judgements (continued):

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

(i) Impairment losses on receivables

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

(ii) Impairment of goodwill and other intangible assets

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

(iii) Impairment of property, plant and equipment

Impairment of property, plant and equipment is dependent upon management's estimate of the recoverable value of impaired assets through use or sale. The ultimate recovery of the assets could be affected by various factors, including market conditions for the relevant business or the time available to marketing and sell the assets.

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

3. Significant accounting policies

(a) Basis of consolidation:

(i) Business combinations

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

The group measures goodwill at the acquisition date as:

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(i) Business combinations (continued)

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

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

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

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

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

(ii) Non-controlling interests

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

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

(iii) Subsidiaries

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

The consolidated financial statements include the financial statements of all subsidiaries, including an Employees Share Ownership Plan (ESOP) classified as a structured entity (note 18), made up to December 31, 2015.

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

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(iv) Loss of control

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

(v) Joint venture arrangements

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

(vi) Associates

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(vii) Transactions eliminated on consolidation

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

(b) Foreign currencies:

The group's foreign assets and liabilities are translated at the buying rates of exchange ruling at the reporting date [note 32(b)(ii)]. Items in the foreign subsidiaries' profit and loss accounts are translated at rates of £1 to J$176.95 (2014: J$180.98), US$1 to J$116.69 (2014: J$110.67), €1 to J$129.48 (2014: J$147.17), being the weighted average rates of exchange for the year.

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

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

(c) Cash and cash equivalents:

Cash comprises cash in hand, on demand and on call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

(d) Short-term investments:

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

(e) Securities purchased under resale agreements:

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

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

3. Significant accounting policies (continued)

(f) Trade and other receivables:

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

(g) Inventories:

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

(h) Trade and other payables:

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

(i) Biological assets:

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

(j) Investments:

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

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

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

3. Significant accounting policies (continued)

(k) Intangible assets and goodwill:

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

(ii) Other intangible assets

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

(iii) Subsequent expenditure

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

(iv) Amortisation

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

The estimates useful lives are as follows:

• brands and trademarks	25 years
• customer relationships	15 years
• other identified intangible assets	3 years

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

(l) Property, plant and equipment:

(i) Owned assets

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

3. Significant accounting policies (continued)

(l) Property, plant and equipment (continued):

(i) Owned assets (continued)

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

(ii) Leased assets

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

(iii) Subsequent costs

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

(iv) Depreciation

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

(m) Impairment:

The carrying amounts of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

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

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

3. Significant accounting policies (continued)

(m) Impairment (continued):

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

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

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

(i) Calculation of recoverable amount

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

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

(ii) Reversals of impairment

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

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

3. Significant accounting policies (continued)

(n) Loans payable:

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

(o) Employee benefits:

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

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

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

(p) Revenue:

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

(q) Finance costs:

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

(r) Interest income:

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

(s) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

3. Significant accounting policies (continued)

(s) Taxation (continued):

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

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

(t) Segment reporting:

An operating segment is a component of the group:

(i) 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.

(ii) whose operating results are reviewed regularly by the Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

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

4. Short-term investments

This comprises fixed deposits.

5. Securities purchased under resale agreements

The fair value of the underlying securities purchased under resale agreements approximated to $388,270,000 (2014: $159,932,000).

6. Accounts receivable

	2015 $'000	2014 $'000
Trade receivables	865,760	801,901
Staff receivables	8,569	10,180
Other receivables and prepayments	238,503	230,227
	1,112,832	1,042,308
Less: allowance for impairment	(41,694)	(48,410)
	1,071,138	993,898

6. Accounts receivable (cont'd)

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

	2015 $'000	2014 $'000
Balance at beginning of year	48,410	40,177
Impairment losses recognised	12,010	16,812
Impairment losses reversed	(272)	(2,235)
Amounts written-off as uncollectible	(17,543)	(5,288)
Amounts recovered during the year	(1,796)	(907)
Exchange loss on retranslation	885	(149)
Balance at end of year	41,694	48,410

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

The aging of trade receivables at the reporting date was:

	2015		2014	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	563,764	-	601,242	-
Past due 0 - 30 days	153,061	-	125,876	-
Past due 31 - 120 days	107,586	4,475	43,556	5,694
Past due 121 days - 1 year	26,818	11,115	22,605	12,278
More than 1 year	14,531	14,531	8,622	8,622
	865,760	30,121	801,901	26,594

7. Inventories

	2015 $'000	2014 $'000
Raw materials and consumables	276,455	349,306
Processed goods	94,718	127,717
Spare parts and other	3,363	15,277
	374,536	492,300

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

8. Accounts payable

	2015 $'000	2014 $'000
Trade payables	935,884	1,202,604
Dividend payable	68,001	34,001
Accrued expenses and other payables	408,095	328,142
	1,411,980	1,564,747

9. Biological assets

	2015 $'000	2014 $'000
Balance at beginning of the year	134,773	128,158
Increase due to new plantings	40,702	30,760
Amortisation in year	(39,941)	(24,145)
Balance at end of the year	135,534	134,773

10. Interest in associated companies and joint ventures

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

	2015 $'000	2014 $'000
(a) Interest in joint venture		
50% joint venture investment in Mavis Bank Coffee Factory Ltd.	244,970	200,765
(b) Interest in associates		
Associated companies:		
(i) 40% investment in bakery operations	108,834	165,802
(ii) 42% investment in a multi-purpose port operator	4,298,258	3,880,194
	4,407,092	4,045,996
	4,652,062	4,246,761

(a) The group has a 50% holding in a joint venture company, Mavis Bank Coffee Factory Limited that processes and sells Jamaican Blue Mountain coffee. Up to December 31, 2015, the group's contribution to that joint venture was $121 million (2014: $136 million) used for working capital financing and start-up costs.

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

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

(b)(ii) The group holds a 42% (2014: 42%) shareholding in Kingston Wharves Limited, which operates public wharves and provides security and cold storage services.

Kingston Wharves Limited is listed on the Jamaica Stock Exchange. Based on its closing price of $11.36 (2014: $6.00) per share at the reporting date, the fair value of the group's investment is $6.8 billion (2014: $3.6 billion). [During the year, the group received dividends of $120.1 million (2014: $43.2 million)].

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

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

	Mavis Bank Coffee Factory Limited	
	2015 $'000	2014 $'000
Percentage ownership interest	**50%**	**50%**
Non-current assets	300,416	297,076
Current assets (including cash and cash equivalents – 2015: $48,736,000, 2014: $50,768,000)	548,974	409,031
Non-current liabilities (including non-current financial liabilities, excluding trade and other payables 2015: $223,042,000, 2014:$263,082,000)	(223,042)	(263,082)
Current liabilities (including current financial liabilities excluding trade and other payables 2015: $215,870,000, 2014: $247,208,000).	(455,171)	(384,307)
Net assets (100%)	171,177	58,718
Group's share of net assets/(liabilities)	85,586	29,359
Fair value adjustments and elimination of differences in accounting policies and intercompany transactions	159,384	171,406
Carrying amount of interest in joint ventures	244,970	200,765
Revenue	1,146,167	816,539
Depreciation and amortisation	(30,878)	(27,425)
Interest expense	(58,499)	(58,438)
Income tax charge	(9,923)	-
Profit/(loss) and total comprehensive income/(expense) (100%)	98,400	(83,461)
Group's share of profit/(loss) and total comprehensive income/(loss)	49,200	(41,730)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

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

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

	2015 $'000	2014 $'000
Percentage ownership interest	**42.00%**	**42.00%**
Non-current assets	17,775,075	17,531,682
Current assets	3,642,644	3,695,354
Non-current liabilities	(2,478,723)	(3,358,500)
Current liabilities	(1,364,842)	(1,117,259)
Non-controlling interest	(77,258)	(66,124)
Net assets attributable to equity holders (100%)	17,496,896	16,685,153
Group's share of nets assets [42% (2014: 42%)]	7,348,696	7,007,764
Fair value adjustments on acquisition and elimination of differences in accounting policies	(3,050,438)	(3,127,570)
Carrying amount of interest in Kingston Wharves Limited	4,298,258	3,880,194
Revenue	4,672,884	3,819,691
Net profit from continuing operations	1,267,459	840,452
Other comprehensive (loss)/income, net of tax	(360,212)	3,447,939
Total comprehensive income	907,247	4,288,391
Group's share of total comprehensive income	538,212	324,139

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

	2015 $'000	2014 $'000
Carrying amount of interest in associates	4,407,092	4,045,996
Share of:		
Profit from continuing operations	643,023	321,087
Other comprehensive income	(60,238)	(42,535)
Total comprehensive income	582,785	278,552

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

11. Non- controlling interest

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

	2015				2014			
	Tortuga International Holdings Limited	Four Rivers Mining Co. Limited	Other - immaterial NCI	Total	Tortuga International Holdings Limited	Four Rivers Mining Co. Limited	Other- immaterial NCI	Total
NCI percentage	**38%**	**49%**			**38%**	**49%**		
	$'000	$'000			$'000	$'000		
Non-current asset	861,543	118,685			919,935	328,458		
Current assets	327,818	25,722			247,284	98,785		
Non-current liabilities	(57,401)	(192,459)			(60,165)	(195,838)		
Current liabilities	(167,226)	(378,596)			(157,921)	(316,917)		
Net assets/(liabilities)	**964,734**	**(426,648)**			**949,133**	**(85,512)**		
Carrying amount of NCI	368,411	(207,443)	490	161,458	361,843	(40,289)	490	322,044
Revenue	845,592	294,422	-		795,757	385,772	-	
Loss for the year	(27,785)	(341,131)			(4,214)	(77,137)	-	
Other comprehensive income	45,118	-	-		73,017	-	-	
Total comprehensive income/(loss)	17,333	(341,131)	-		68,803	(77,137)	-	
Loss allocated to NCI	(10,527)	(167,154)	-	(177,681)	(1,597)	(37,797)	-	(39,394)
Other comprehensive income allocated to NCI	17,095	-	-	17,095	28,142	-	-	28,142
Cash flows from operating activities	40,000	(759)			(5,640)	36,285		
Cash flows from investment activities	(14,524)	(7,733)			(869)	(57,708)		
Cash flows from financing activities (dividends to NCI: nil)	(12,570)	12,727			(7,237)	21,601		
Net increase/(decrease) in cash and cash equivalents	**12,906**	**4,235**			**(13,746)**	**178**		

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

12. Investments

	2015 $'000	2014 $'000
Available-for-sale securities:		
Quoted	70,718	181,071
Unquoted	69,700	-
Loans and receivables:		
Long-term loan (net of impairment)	140,348	177,024
	280,766	358,095

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

During the year, following indicators of uncertainty in recoverability, and a review of the underlying value of the security and the costs of liquidation, an impairment allowance of US$332,000 was recognised against this loan. This was in addition to US$168,000 recognised in prior years.

13. Acquisition of subsidiary

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

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

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

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

14. Intangible assets

	Brands and trademarks $'000	Customer relationships $'000	Other identifiable intangibles $'000	Goodwill $'000	Total $'000
Cost:					
December 31, 2013	363,062	204,459	27,444	812,242	1,407,207
Exchange adjustments	28,858	16,251	2,182	12,097	59,388
December 31, 2014	391,920	220,710	29,626	824,339	1,466,595
Exchange adjustments	18,965	10,681	1,434	(118)	30,962
December 31, 2015	410,885	231,391	31,060	824,221	1,497,557
Amortisation and impairment:					
December 31, 2013	30,311	27,262	7,289	154,466	219,328
Charge for the year	16,248	14,269	5,011	-	35,528
Exchange adjustments	2,916	2,612	735	12,278	18,541
December 31, 2014	49,475	44,143	13,035	166,744	273,397
Charge for the year	17,132	15,045	3,214	-	35,391
Exchange adjustments	2,828	2,517	712	8,069	14,126
December 31, 2015	69,435	61,705	16,961	174,813	322,914
Net book values:					
December 31, 2015	341,450	169,686	14,099	649,408	1,174,643
December 31, 2014	342,445	176,567	16,591	657,595	1,193,198
December 31, 2013	332,751	177,197	20,155	657,776	1,187,879

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

	2015			2014		
Group of cash-generating units (CGUs)	Discount rate	Growth rate	$'000	Discount rate	Growth rate	$'000
Juice manufacturing business	10%	3%	303,993	10%	3%	322,993
Other food manufacturing business	15%	3%	174,847	15%	4%	166,776
Logistics business	10%	3%	131,626	10%	3%	128,884
Other units	15%	3%	38,942	15%	3%	38,942
			649,408			657,595

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

15. Deferred tax asset/(liability)

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

	Deferred tax Asset 2015 $'000	Asset 2014 $'000	Liability 2015 $'000	Liability 2014 $'000	Net 2015 $'000	Net 2014 $'000
Property, plant and equipment	751	1,520	-	-	751	1,520
Other liabilities	207	922	-	-	207	922
Other assets	-	-	(2)	(216)	(2)	(216)
	958	2,442	(2)	(216)	956	2,226

Movement on net deferred tax asset during the year:

	2015 $'000	2014 $'000
Net deferred tax asset at beginning of year	2,226	2,492
Recognised in taxation charge [note 23(a)(ii)]	(1,230)	(322)
Translation (loss)/gain in the year	(40)	56
	956	2,226

16. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
Cost:					
December 31, 2013	877,442	325,601	2,009,075	84,374	3,296,492
Additions	168,904	14,729	156,991	2,281	342,905
Disposals	-	-	(47,576)	-	(47,576)
Addition through acquisition of subsidiaries	109,712	-	3,231	-	112,943
Exchange adjustments	(49,373)	1,725	(36,607)	(4,500)	(88,755)
December 31, 2014	1,106,685	342,055	2,085,114	82,155	3,616,009
Additions	99,424	1,280	244,155	6,135	350,994
Disposals	(47,949)	(7,348)	(38,071)	-	(93,368)
Exchange adjustments	(48,738)	1,134	(42,905)	(4,795)	(95,304)
December 31, 2015	1,109,422	337,121	2,248,293	83,495	3,778,331
Depreciation and impairment:					
December 31, 2013	201,313	200,038	920,333	70,165	1,391,849
Charge for the year	45,834	18,841	199,430	2,012	266,117
Eliminated on disposals	-	-	(47,401)	-	(47,401)
Exchange adjustments	(12,220)	934	(20,275)	(3,775)	(35,336)
December 31, 2014	234,927	219,813	1,052,087	68,402	1,575,229
Charge for the year	47,822	15,512	214,605	2,877	280,816
Impairment charge	-	44,151	133,849	-	178,000
Eliminated on disposals	(14,283)	(7,796)	(29,238)	-	(51,317)
Exchange adjustments	(12,403)	695	(20,590)	(4,011)	(36,309)
December 31, 2015	256,063	272,375	1,350,713	67,268	1,946,419

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

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
Net book values:					
December 31, 2015	853,359	64,746	897,580	16,227	1,831,912
December 31, 2014	871,758	122,242	1,033,027	13,753	2,040,780
December 31, 2013	676,129	125,563	1,088,742	14,209	1,904,643

Freehold land and buildings include land as follows:

	2015 $'000	2014 $'000
At cost	175,161	208,978
Directors' allocation of cost	4,857	4,857
Total land	180,018	213,835

The company had previously given an undertaking to one of its bankers not to encumber the property held at 4 Belmont Road while the company has credit arrangements. The property was sold during the year and as a result this arrangement was cancelled.

17. Share capital

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

	2015 $'000	2014 $'000
Stated capital:		
Issued and fully paid - 187,024,006 ordinary stock units at no par value	18,702	18,702

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

18. Reserves

	2015 $'000	2014 $'000
Capital:		
Share premium (note 17)	135,087	135,087
Fair value reserve	34,345	135,699
Reserve for own shares [see (i) below]	(160,281)	(172,199)
Other [see (ii) below]	2,352,782	2,391,553
	2,361,933	2,490,140
Revenue:		
Retained profits	4,018,371	3,354,851
	6,380,304	5,844,991

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

18. Reserves (cont'd)

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

The consolidated financial statements include the group's share of profits or loss of the ESOP based on management accounts for the year ended December 31, 2015. The results of operation of this entity are immaterial in relation to the group.

The number of stock units held by the ESOP at December 31, 2015 was 15,779,790 (2014: 16,287,919). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2015 was $415,797,000 (2014: $244,975,000). The fair value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2015, unrealised exchange gains and unclaimed distributions to stockholders (note 26).

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

19. Long-term loans

	2015 $'000	2014 $'000
Syndicated third party and bank loans	1,978,814	2,035,130
Finance leases	90,587	-
Other third party	87,197	87,197
	2,156,598	2,122,327
Less: Upfront borrowing costs:		
Brought forward from prior year	(29,313)	-
Incurred during the year	-	(37,108)
Amortised in interest expense for the year	7,634	7,795
	(21,679)	(29,313)
Total carrying value of long-term loans	2,134,919	2,093,014
Less: current portion	(194,013)	(106,155)
	1,940,906	1,986,859

19. Long-term loans (cont'd)

The terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	2015 Face value $'000	2015 Carrying value $'000	2014 Face value $'000	2014 Carrying value $'000
Secured syndicated third party loan	JMD	9.5%	2020	817,159	817,159	846,428	846,428
Secured syndicated third party loan	JMD	8.9%	2019	950,000	950,000	984,183	984,183
Secured bank loan	BBD	5.0%	2018	18,312	18,312	22,248	22,248
Secured bank loan	JMD	9.5%	2016	2,137	2,137	3,974	3,974
Secured bank loan	JMD	12.5%	2017	15,707	15,707	26,779	26,779
Secured bank loan	EUR	2.75%	2016	84,609	84,609	105,087	105,087
Secured bank loan	GBP	2.5%	2020	81,917	81,917	-	-
Finance lease	EUR	3.5%	2022	90,587	90,587	-	-
Other third party	USD	8.0%	2016	8,973	8,973	17,118	17,118
Other related party	JMD	5.0%	2018	87,197	87,197	87,197	87,197
				2,156,598	2,156,598	2,093,014	2,093,014

During 2015, one of the group's subsidiaries entered into a loan for £500,000. It is secured against leasehold property with £250,000 repayable in equal instalments over 60 months and the remaining £250,000 repayable in month 60. The interest rate is LIBOR+2%.

Also during 2015 one of the group's subsidiaries entered into a finance lease on manufacturing equipment for €720,000 repayable by 84 equal instalments of €9,000, followed by an optional terminal payment of €68,000, representing an effective interest rate of 3.5%.

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

Also during the prior year the group issued loan notes of J$1,000,000,000 secured by a portion of the investment in an associated company and repayable by annual instalments of $50,000,000 in the first four years, starting September 30, 2015, and a final payment of $800,000,000 in 2019. The interest rate on the loan is WATBY +2.5% (currently 8.9%), capped at 12% for the first two years and then capped at 14% for the remaining life.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

20. Gross operating revenue

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

21. Financial income and expenses

	2015 $'000	2014 $'000
Financial income:		
Interest income on available-for-sale financial assets	-	1,378
Interest income on bank deposits, loans and receivables	12,637	17,655
Dividend income on available-for-sale financial assets	2,338	12,176
Net gain on available-for-sale financial assets transferred from equity	103,246	161,646
Net foreign exchange gain	11,771	5,591
	129,992	198,446
Financial expenses:		
Interest expense on financial liabilities measured at amortised cost	(206,664)	(128,085)
Net financial (expenses)/income	(76,672)	70,361

22. Pension arrangements

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

A number of employees in the group's subsidiary in the Netherlands are members of an industry-wide multi-employer defined benefit scheme. This subsidiary is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. This percentage may increase or decrease as a result of changes in actuarial valuations. The only obligation of the group with respect to this scheme is to make the specified contributions. Accordingly, it is treated as a defined contribution scheme for the purpose of the group's accounting. The most recent actuarial valuation of this scheme was performed at December 31, 2015 at which time the fund had a coverage of 98.3% (2014 – coverage of 105.1%). The next full actuarial valuation is due as at December 31, 2016.

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

Contributions under the defined-contribution pension schemes during the year amounted to $127,084,000 (2014: $129,499,000).

23. Taxation

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

	2015 $'000	2014 $'000
(i) Current tax charge:		
United Kingdom corporation tax at 20%	15,702	9,655
Netherlands corporation tax at 25.5%	44,927	51,214
Other corporation tax	8,563	3,818
Tax on associated companies	63,386	21,070
	132,578	85,757
(ii) Deferred taxation (note 15):		
Origination and reversal of temporary differences	1,230	322
Total taxation charge in group profit and loss account	133,808	86,079

(b) The effective tax rate for 2015 was 17.9% (2014: 21.3%), compared to the statutory tax rate of 25% (2014: 25%). The actual charge differs from the "expected" tax charge for the year as follows:

	2015 $'000	2014 $'000
Profit before taxation	748,383	404,905
Computed "expected" tax charge at 25% (2014: 25%)	187,096	101,226
Taxation difference between profit for financial statements and tax reporting purposes on:		
Overseas taxation	(18,048)	(12,647)
Unrelieved tax losses less tax relief utilised	53,702	3,653
Lower rate associated company tax	(113,860)	(82,860)
Gain on disposal of property, plant and equipment and investments	(112,012)	(39,620)
Other related capital adjustments and disallowed expenses	136,930	116,327
Actual tax charge	133,808	86,079

(c) As at December 31, 2015, the group has taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, of approximately $2,247,000,000 (2014: $1,929,000,000) available for relief against future taxable profits. Of this amount, $570,819,000 (2014: $577,525,000) is available for offset against specific income such as farming profits. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year. A deferred tax asset of $561,940,000 (2014: $482,366,000) in respect of taxation losses of certain companies has not been recognised by the group, as management considers its realisation within the foreseeable future to be too uncertain.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
Year ended December 31, 2015

24. Disclosure of expenses

	2015 $'000	2014 $'000
Marketing, selling and distribution costs:		
Advertising, promotion and selling costs	161,890	139,553
Distribution costs	212,709	212,734
Other costs	34,279	21,033
Staff costs	241,652	236,870
Total marketing, selling and distribution costs	650,530	610,190

	2015 $'000	2014 $'000
Administration and other operating expenses:		
Auditors' remuneration	39,229	36,230
Depreciation and amortisation	64,142	63,029
Directors' emoluments:		
Fees	10,158	10,460
For management	78,593	64,611
IT and communication	78,841	77,456
Legal, professional and consultancy	88,988	91,600
Other costs	113,314	111,882
Property costs	168,589	164,156
Staff costs	707,385	738,325
Total administration and other operating expenses	1,349,239	1,967,823

25. Profit per ordinary stock unit

The profit per ordinary stock unit is calculated by dividing the profit for the year of $792,256,000 (2014: $358,220,000), attributable to the company's stockholders, by a weighted average number of ordinary stock units held during the year, excluding those held by the ESOP.

Weighted average number of ordinary stock units:

	2015	2014
Issued ordinary stock units at January 1	187,024,006	187,024,006
Effect of own shares held by ESOP during the year	(15,925,964)	(16,474,573)
Weighted average number of ordinary stock units held during the year	171,098,042	170,549,433
Profit per ordinary stock unit in issue	423.61¢	191.54¢
Profit per ordinary stock unit excluding ESOP holdings	463.04¢	210.04¢

26. Distributions to stockholders

	2015 $'000	2014 $'000
Ordinary dividends:		
First interim payable in respect of 2015 - 40¢ (2014: 20¢) per stock unit - gross	74,810	37,405
Distributions to ESOP [note 18(i)]	(6,312)	(3,404)
	68,498	34,001
Unclaimed distributions written back to capital reserves [note 18(ii)]	(6,454)	(7,137)
	62,044	26,864

27. Contingent liabilities

A subsidiary has guaranteed the US$500,000 debt of a joint venture in favour of The National Export Import Bank of Jamaica Limited. The company has also given a commitment to one of its subsidiaries, to provide financial support as is necessary for its operations throughout 2016. That subsidiary has a net shareholders' deficit at December 31, 2015 of $541.9 million (2014: $562.3 million).

28. Operating lease arrangements

(a) Non-cancellable operating lease commitments

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

	2015 $'000	2014 $'000
Within one year	40,053	56,218
In the second to fifth years, inclusive	73,459	82,911
	113,512	139,129

(b) Non-cancellable operating lease receivables

The group earned property rental income of $25,243,000 (2014: $34,280,000) under operating leases. Direct operating expenses arising on the property in the period amounted to $4,698,000 (2014: $8,186,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2015 $'000	2014 $'000
Within one year	3,003	15,998
In the second to fifth year inclusive	1,496	11,144
	4,499	27,142

A material property was sold during the year (see note 16).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

29. Commitments for expenditure

As at December 31, 2015, capital expenditure authorised but not committed amounted to approximately $472,044,000 (2014: $389,137,000). Capital expenditure authorised and committed amounted to approximately $48,934,000 (2014: $23,779,000).

30. Related parties

(a) Identity of related parties:

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

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

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 30.6% (2014: 28.1%) of the voting shares of the company.

In addition to their salaries, the group contributes to various post-employment benefit plans on behalf of key management personnel.

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

	2015 $'000	2014 $'000
Short-term employment and other benefits	271,006	283,394
Post-employment benefits	31,986	28,875
Termination benefits	-	1,592
Total remuneration	302,992	313,861

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
Year ended December 31, 2015

30. Related parties (cont'd)

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

Category and nature of relationship	Nature of Transactions	Transactions in year 2015 $'000	Transactions in year 2014 $'000	(Payable)/receivable at end of year 2015 $'000	(Payable)/receivable at end of year 2014 $'000	Terms and conditions *	Provision end of year 2015 $'000	Provision end of year 2014 $'000	(Expense)/recovery during the year 2015 $'000	(Expense)/recovery during the year 2014 $'000
Transactions with joint ventures and associates:										
50% joint venture	Purchases by group	-	167,701	-	-	1, 2, 3	-	-	-	-
50% joint venture	Management services income to group	(29,337)	(27,688)	29,249	26,315	1, 2, 3	-	-	-	-
50% joint venture	Interest income on loans from group	(23,419)	(23,419)	23,419	23,419	2, 3	-	-	-	-
Transactions with key management personnel or entities under their control and/or significant influence:										
i) Company under their control	Insurance premiums charged to group	11,097	14,905	-	-	1, 2, 3	N/A	N/A	N/A	N/A
ii) Company under their control	Management services charged to group	8,751	8,300	(4,647)	4,132	2, 3, 4	N/A	N/A	N/A	N/A
iii) Company under their control	Shipping agency services charged to group	7,431	6,866	-	-	1, 2, 3	N/A	N/A	N/A	N/A
iv) Company under their control	Charges paid on behalf of the group	(3,819)	(3,231)	-	-	1, 2, 3	N/A	N/A	N/A	N/A
v) Company under their control	Collections from third parties on behalf of the group	(49,693)	(37,354)	42,576	19,379	1, 2, 3	N/A	N/A	N/A	N/A
vi) Company under their control	Professional services to the group	2,972	2,643	(182)	(700)	1,2,3	N/A	N/A	N/A	N/A

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

31. Segment reporting

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

The group reorganised its business segments in order to reflect its current strategy and focus. The change has culminated in the profit or loss before finance cost and taxation being used to measure the segment result instead of profit or loss before taxation. Previously reported segment information have been restated to conform to the current period's presentation. The reorganisation has resulted in the recognition of three business segments:

(a) JP Food & Drink - This comprises businesses that are engaged in agriculture, processing, distribution and/or retail of food and drink.
(b) JP Logistics & Infrastructure – This comprises businesses that are engaged in logistics, transportation, port operations, construction aggregates and related industries.
(c) Corporate Services – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

	JP Food & Drink		JP Logistics & Infrastructure		Corporate		Total	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Gross revenue	7,336,071	7,390,852	1,270,594	1,315,041	256,912	257,415	8,863,577	8,963,308
Inter- segment revenue	-	-	-	-	(157,653)	(146,279)	(157,653)	(146,279)
Revenue from external customers	7,336,071	7,390,852	1,270,594	1,315,041	99,259	111,136	8,705,924	8,817,029
Interest income	-	-	-	-	12,637	19,033	12,637	19,033
Segment profit/(loss)	265,480	170,130	399,372	370,941	290,195	(8,081)	955,047	532,990
Finance cost- interest expense							(206,664)	(128,085)
Profit before taxation							748,383	404,905
Taxation charge							(133,808)	(86,079)
Non-controlling interest							177,681	39,394
Profit attributable to equity holders of the parent							792,256	358,220
Segment assets	4,555,317	4,588,551	4,873,027	4,861,538	819,859	493,357	10,248,203	9,943,446
Segment liabilities	(1,195,895)	(1,365,550)	(2,236,106)	(2,233,207)	(255,738)	(158,952)	(3,687,739)	(3,757,709)
Capital expenditure	333,411	258,816	12,481	59,566	5,102	24,523	350,994	342,905
Depreciation and amortisation	(260,965)	(238,978)	(221,704)	(51,462)	(50,643)	(35,347)	(534,148)	(325,787)

31. Segment reporting (cont'd)

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

	Revenues		Non-current assets	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Jamaica	2,269,933	2,052,788	5,143,009	4,992,068
Netherlands	4,314,383	4,731,149	1,548,946	1,550,200
United Kingdom	349,405	342,254	145,109	136,535
United States of America	651,492	574,929	10,884	3,546
Other Caribbean countries	655,879	625,588	1,227,925	1,293,484
Other European countries	458,357	477,118	-	-
Other countries	6,475	13,203	-	-
	8,705,924	8,817,029	8,075,873	7,975,833

Revenues from one customer of the JP Europe segment represents approximately $3,831 million (2014: $4,107 million) of the group's total revenues.

32. Financial instruments

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

(a) Fair value of financial instruments:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

32. Financial instruments (cont'd)

(b) Financial instrument risks:

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

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

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

(i) Credit risk

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

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

The group manages this risk as follows:

- Cash and cash equivalents and short-term investments

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

- Securities purchased under resale agreements

  The group holds collateral for securities purchased under resale agreements, with a fair value of $388,270,000 (2014: $159,932,000).

  No allowance for impairment is deemed necessary.

32. Financial instruments (cont'd)

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

(i) Credit risk (cont'd)

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

- Accounts receivable

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

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

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

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

- Non-current investments

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

  No further allowance for impairment is deemed necessary.

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

(ii) Market risk

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

32. Financial instruments (cont'd)

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

(ii) Market risk (cont'd)

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

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

Currency risk

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

The group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the euro (EUR), United States dollar (USD) and pound sterling (GBP).

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

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

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

	2015			2014		
	USD	GBP	EUR	USD	GBP	EUR
	$'000	$'000	$000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents	1,119	645	666	421	531	1,252
Short term investments	-	-	-	-	-	2
Securities purchased under resale agreements	2,971	-	-	1,303	-	-
Accounts receivable	2,233	798	4,313	2,067	730	3,916
Investments	1,779	-	-	2,250	-	-
Total financial assets carried forward	8,102	1,443	4,979	6,041	1,261	5,170

32. Financial instruments (cont'd)

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

(ii) Market risk (cont'd)

Currency risk (cont'd)

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

	2015			2014		
	USD	GBP	EUR	USD	GBP	EUR
	$'000	$'000	$000	$'000	$'000	$'000
Total financial assets brought forward	8,102	1,443	4,979	6,041	1,261	5,170
Financial liabilities						
Short term borrowing	(500)	-	-	(500)	-	-
Accounts payable	(1,597)	(860)	(4,669)	(1,759)	(936)	(6,343)
Current maturities of long term loans	(121)	(45)	(744)	(121)	-	(110)
Long-term loans	(107)	(421)	(604)	(224)	-	(651)
Financial instruments position	5,777	117	(1,038)	3,437	325	(1,934)
Other assets	10,875	1,871	13,080	10,807	293	13,304
Other liabilities	(13)	(67)	(258)	(18)	(40)	(245)
Gross balance sheet position	16,638	1,921	11,784	14,226	578	11,125

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

Foreign currency sensitivity analysis

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

Arising from 10% depreciation of J$:

	2015		2014	
	Equity	Profit	Equity	Profit
	$'000	$'000	$'000	$'000
USD	147,014	50,685	141,614	20,722
GBP	32,866	68	10,091	70
EUR	143,443	-	153,746	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

Year ended December 31, 2015

32. Financial instruments (cont'd)

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

(ii) Market risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

Exchange loss arising from 2% appreciation of the Jamaican dollar:

	2015		2014	
	Equity $'000	Profit $'000	Equity $'000	Profit $'000
USD	(29,403)	(10,137)	(28,323)	(4,144)
GBP	(6,573)	(18)	(2,018)	(14)
EUR	(28,689)	-	(30,749)	-

Buying exchange rates used at year-end:

	2015	2014
USD1 to J$	119.64	114.12
GBP1 to J$	175.74	175.97
EUR1 to J$	129.97	138.09

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

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

	2015 $'000	2014 $'000
Fixed rate instruments:		
Financial assets	495,858	345,243
Financial liabilities	(2,025,929)	(2,005,630)
	(1,530,071)	(1,660,387)
Variable rate instruments:		
Financial liabilities	(184,838)	(127,335)

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

32. Financial instruments (cont'd)

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

(ii) Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

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

	2015		2014	
	250 bps increase $'000	100 bps decrease $'000	250 bps increase $'000	100 bps decrease $'000
Variable rate instruments	(3,697)	1,848	(2,547)	1,273

Other market price risk

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

All of the group's quoted equity investments locally are listed on the Jamaica Stock Exchange. A ten percent decline in the listed bid prices at the reporting date would have decreased equity by $7,072,000 (2014: $18,107,000) with no effect on profit for the year.

(iii) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
Year ended December 31, 2015

32. Financial instruments (cont'd)

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

(iii) Liquidity risk (cont'd)

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

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

	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
			2015		
Secured syndicated loan	9.18	1,767,159	2,486,707	244,696	2,242,011
Secured bank loans	3.68	202,682	228,464	115,929	112,535
Finance leases	3.50	90,587	95,767	14,188	81,579
Credit facilities	8.75	84,821	84,821	84,821	-
Other third party loan	8.00	8,973	9,511	9,511	-
Other related party loan	5.00	87,197	100,277	4,360	95,917
Accounts payable		1,411,980	1,411,980	1,411,980	-
		3,653,399	4,417,527	1,885,485	2,532,042
			2014		
Secured syndicated loan	9.76	1,830,611	2,645,376	250,102	2,395,274
Secured bank loans	4.89	158,088	196,725	40,592	156,133
Credit facilities	8.75	57,069	57,069	57,069	-
Other third party loan	8.00	17,118	19,227	9,244	9,983
Other related party loan	5.00	87,197	100,277	4,360	95,917
Accounts payable		1,564,747	1,564,747	1,564,747	-
		3,714,830	4,583,421	1,926,114	2,657,307

(iv) Capital management

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

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

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

33. Subsidiary, associated and joint venture companies

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

	% equity held		Principal place
	2015	2014	of business
SUBSIDIARY COMPANIES*			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
P.S.C. Limited	100	100	Jamaica
Jamaica Producers Shipping Company Limited	60	60	Jamaica
JP Tropical Foods Limited	100	100	Jamaica
JBFS Investments Limited	100	100	Jamaica
Crescent Developments Limited	100	100	Jamaica
Central American Banana (2005) Limited	100	100	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
JP Shipping Services Limited	100	100	England and Wales
Four Rivers Mining Company Limited	51	51	Jamaica
JP International Group Limited	100	100	Cayman Islands
Cooperatief JP Foods U.A.	100	100	The Netherlands
A.L. Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
Tortuga International Holdings Limited	62	62	St. Lucia
Tortuga (Barbados) Limited (formerly Bakers Choice Inc.)	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A.
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga International Limited	100	100	Cayman Islands
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
JP Tropical Snacks Limited	100	100	Cayman Islands
JOINT VENTURE COMPANIES			
Mavis Bank Coffee Factory Limited	50	50	Jamaica
ASSOCIATED COMPANIES			
Kingston Wharves Limited	42	42	Jamaica
Tortuga Cayman Limited	40	40	Cayman Islands

* The names of inactive subsidiary companies are omitted.

CORPORATE DATA

Directors
Mr. Charles H. Johnston, CD, BSc (Econ.) - Chairman
Mr. Jeffrey McG. Hall, BA, MPP, JD - Group Managing Director
The Hon. Oliver F. Clarke, OJ, JP, BSc (Econ.), FCA, LLD (Hon.)
Mrs. Patricia R. Francis, CD, BSc
Mrs. Sanya M. Goffe, LLB (Hons.), LEC
Dr. the Hon. Marshall McG. Hall, OJ, CD, PhD
Mrs. Dahlia E. Kelly, BSc
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Donovan H. Perkins, BA (Hons.), MBA
Mr. Grantley St. J. Stephenson, CD, JP, FJIM, MBA
Prof. Alvin G. Wint, CD, BSc, MBA, DBA

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

Registered Office
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Fax: (876) 929-3636
Email: headoffice@jpjamaica.com
Website: www.jpjamaica.com

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

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

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

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

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

Main Operating Entities
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1161 BW Zwanenburg
The Netherlands
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Fax: (31) 20-4073002

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

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

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

Tortuga International Holdings Limited
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Castries, St. Lucia
Tel: (345) 943-7663
Email: corporateaffairs@tortugaimports.com

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

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

Joint Venture & Associated Companies

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

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

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

Corporate Governance

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

Attorneys-at-law

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Temple Court
85 Hope Road
Kingston 6

COMPANY ONLY

TABLE OF CONTENTS

Auditors' Report and Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the separate financial statements of Jamaica Producers Group Limited ("the company") set out on pages 4 to 35, which comprise the unconsolidated balance sheet as at December 31, 2015, the unconsolidated profit and loss account, the unconsolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

KPMG

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements, (continued)

Opinion

In our opinion, the separate financial statements give a true and fair view of the unconsolidated financial position of the company as at December 31, 2015, and of its unconsolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

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

KPMG

Chartered Accountants
Kingston, Jamaica

March 1, 2016

COMPANY BALANCE SHEET

December 31, 2015

	Notes	2015 $'000	2014 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(b),4	81,396	13,145
Securities purchased under resale agreements	3(d)	355,500	148,730
Accounts receivable	5	24,222	11,538
Taxation recoverable		2,153	3,261
Total current assets		463,271	176,674
CURRENT LIABILITIES			
Accounts payable	6	249,316	148,070
Current portion of long-term loan	13	71,480	64,245
Total current liabilities		320,796	212,315
WORKING CAPITAL SURPLUS/(DEFICIT)		142,475	(35,641)
NON-CURRENT ASSETS			
Interests in subsidiary and associated companies	7	6,037,844	6,086,294
Investments	8	115,498	190,500
Property, plant and equipment	10	50,343	97,817
Total non-current assets		6,203,685	6,374,611
Total assets less current liabilities		6,346,160	6,338,970
EQUITY			
Share capital	11	18,702	18,702
Reserves	12	4,649,137	4,549,581
Total equity attributable to stockholders		4,667,839	4,568,283
NON-CURRENT LIABILITIES			
Long-term loans, being total non-current liabilities	13	1,678,321	1,770,687
Total equity and non-current liabilities		6,346,160	6,338,970

The financial statements on pages 4 to 35 were approved by the Board of Directors on March 1, 2016 and signed on its behalf by:

______________________ Chairman
C. H. Johnston

______________________ Managing Director
J. Hall

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

COMPANY PROFIT AND LOSS ACCOUNT

Year ended December 31, 2015

	Notes	2015 $'000	2014 $'000
Gross operating revenue:			
Management fees - subsidiaries		83,502	100,802
- other		29,337	27,689
Interest - subsidiaries		48,616	42,259
- other		8,393	4,269
Dividends and capital distributions	14	163,158	55,353
Rent - other		25,327	34,816
Royalties earned		40,428	26,434
		398,761	291,622
Administration and other operating expenses		(382,952)	(339,733)
Profit/(loss) from operations		15,809	(48,111)
Net gain from fluctuation in exchange rates		89,600	125,462
Gain on disposal of investments and property, plant and equipment		681,787	166,078
(Increase)/decrease in impairment allowance on loans and receivables - subsidiaries	7	(333,640)	90,234
Sundry income		6	74
Profit before finance cost and taxation		453,562	333,737
Finance cost - interest	14	(184,176)	(111,270)
Profit before taxation		269,386	222,467
Taxation	16	(120)	(2,894)
Profit for the year	15	269,266	219,573

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

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPHENSIVE INCOME

Year ended December 31, 2015

	2015 $'000	2014 $'000
Profit for the year	269,266	219,573
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Net change in fair value of available-for-sale investments	1,892	43,381
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	(103,246)	(161,646)
Total other comprehensive loss	(101,354)	(118,265)
Total comprehensive income for the year	167,912	101,308

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

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2015

	Share capital $'000 (note 12)	Share premium $'000	Capital reserves $'000	Fair value reserve $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2013	18,702	135,087	1,607,019	253,804	2,482,631	4,497,243
Total comprehensive income:						
Profit for the year	-	-	-	-	219,573	219,573
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	43,381	-	43,381
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(161,646)	-	(161,646)
Total other comprehensive loss	-	-	-	(118,265)	-	(118,265)
Total comprehensive income for the year	-	-	-	(118,265)	219,573	101,308
Transactions with owners of the company						
Unclaimed distributions to stockholders written back (note 17)	-	-	7,137	-	-	7,137
Distributions to stockholders (note 17)	-	-	-	-	(37,405)	(37,405)
Balances at December 31, 2014	18,702	135,087	1,614,156	135,539	2,664,799	4,568,283
Total comprehensive income:						
Profit for the year	-	-	-	-	269,266	269,266
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	1,892	-	1,892
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(103,246)	-	(103,246)
Total other comprehensive loss	-	-	-	(101,354)	-	(101,354)
Total comprehensive income for the year	-	-	-	(101,354)	269,266	167,912
Transactions with owners of the company						
Unclaimed distributions to stockholders written back (note 17)	-	-	6,454	-	-	6,454
Distributions to stockholders (note 17)	-	-	-	-	(74,810)	(74,810)
Balances at December 31, 2015	18,702	135,087	1,620,610	34,185	2,859,255	4,667,839

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

COMPANY STATEMENT OF CASH FLOWS

Year ended December 31, 2015

	Notes	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		269,266	219,573
Adjustments for:			
Depreciation	10	10,002	9,985
Net unrealised exchange gains		(88,788)	(124,407)
Gain on disposal of property, plant and equipment and investments		(681,787)	(166,078)
Provision for diminution in value of interest in subsidiaries	7	333,640	(90,234)
Amortisation of bond issuance costs		7,634	7,795
Interest income	14	(57,009)	(46,528)
Interest expense	14	184,176	111,270
		(22,866)	(78,624)
(Increase)/decrease in current assets:			
Accounts receivable		(12,547)	19,487
Taxation recoverable		1,108	20,156
Increase/(decrease) in current liabilities:			
Accounts payable		68,763	(1,381)
Unclaimed dividends		7,257	5,360
Net cash provided/(used) by operating activities		41,715	(35,002)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short-term investments		-	28,604
Securities purchased under resale agreements		(198,455)	(107,247)
Additions to property, plant and equipment	10	(5,127)	(24,524)
Net movement in investments		(40,459)	493
Interest received		49,218	18,994
Interests in subsidiary and associated companies		(198,620)	(877,096)
Proceeds from disposal of investments and property, plant and equipment		741,423	221,159
Net cash provided/(used) by investment activities		347,980	(739,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution to stockholders		(37,405)	(37,405)
Interest paid		(189,332)	(84,399)
Long-term loans		(92,765)	877,137
Net cash (used)/provided by financing activities		(319,502)	755,333
Net increase/(decrease) in cash and cash equivalents		70,193	(19,286)
Effect of foreign exchange movement		(1,942)	2,326
Cash and cash equivalents at beginning of year		13,145	30,105
Cash and cash equivalents at end of year		81,396	13,145

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

1. The company

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

Its principal activities are the provision of administration services to its subsidiaries (note 22) and the holding of investments.

During 2014 the company acquired an additional 11.59% share of Kingston Wharves Limited ("KW") which, together with previous acquisitions, resulted in the company holding 42% of the issued shares of KW (note 7).

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

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

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

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

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

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

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

(a) Statement of compliance (continued):

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

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

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

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

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

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

(a) Statement of compliance (continued):

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

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.

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

- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, which is effective for accounting periods beginning on or after January 1, 2016 allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

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

- *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 company are as follows:

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

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

(a) Statement of compliance (continued):

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

- *Improvements to IFRS, 2012-2014 (continued)*

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

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

(b) Basis of preparation:

These non-consolidated financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations, changes in equity and cash flows of the group. The company's interests in subsidiaries [note 22] are shown at cost, less provision for diminution in value [note 3(i)]. Unless otherwise indicated, references to financial statements herein are to the non-consolidated financial statements.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

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

(b) Basis of preparation (continued):

(i) Impairment assessments

Impairment allowances against the carrying value of interest in subsidiaries and associated companies (note 7) are determined from a comparison between carrying amounts and an estimate of the net present value of future cash flows. That estimate is based on forecasts and an assessment of risk and uncertainty by management. Those estimates could be subject to significant variation from year to year.

(ii) Depreciation methods, useful lives and residual values

Depreciation methods, useful lives and residual values rely on judgment and estimates by management, one of which is that the relevant assets will continue to be used for their current purpose within the company. In addition, useful lives and residual values vary between individual assets and are dependent upon continuation of the current level of maintenance. Should there be a change in the present use or level of maintenance this could change the charge for depreciation and net book value of property, plant and equipment (note 10) within the next financial year.

3. Significant accounting policies

(a) Foreign currencies:

Except for investments in foreign subsidiaries, foreign currency balances at the reporting date date are translated at the buying rates of exchange ruling at that date [note 22(b)(ii)]. Investments in foreign subsidiaries are carried at historical rates of exchange.

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

(b) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Short-term investments:

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

3. Significant accounting policies (continued)

(d) Securities purchased under resale agreements:

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

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

(e) Trade and other receivables:

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

(f) Trade and other payables:

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

(g) Investments:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

3. Significant accounting policies (continued)

(h) Property, plant and equipment:

(i) Owned assets

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

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and it can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss, as it is incurred.

(ii) Depreciation

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

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

(i) Impairment:

The carrying amounts of the company'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 exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

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

3. Significant accounting policies (continued)

(i) Impairment (continued):

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. When a decline in the fair value of an available-for-sale investment has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the investment has not been derecognised.

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

[i] Calculation of recoverable amount

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

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

[ii] Reversals of impairment

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

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

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

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

3. Significant accounting policies (continued)

(j) Employee benefits:

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

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

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

(k) Revenue:

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

(l) Finance costs:

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

(m) Interest income:

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

(n) Dividend income:

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

(o) Royalty income:

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

3. Significant accounting policies (continued)

(p) Taxation:

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

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

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

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

(q) Loans payable:

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

(r) Subsidiary and associated companies:

Interests in subsidiary and associated companies are stated at cost, less allowance for impairment.

4. Cash and cash equivalents

	2015 $'000	2014 $'000
Cash and bank balances	81,396	13,145

5. Accounts receivable

	2015 $'000	2014 $'000
Staff receivables	1,948	2,623
Other receivables and prepayments	24,366	8,915
	26,314	11,538
Less: Allowance for impairment	2,092	-
	24,222	11,538

The number of ordinary stock units (note 12) held by the ESOP at December 31, 2015 was 15,779,790 (2014: 16,287,919).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

5. Accounts receivable (continued)

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

	2015 $'000	2014 $'000
Balance at January 1	-	2,771
Impairment losses recognised	2,092	-
Write-offs	-	(2,771)
Balance at end of year	2,092	-

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

6. Accounts payable

	2015 $'000	2014 $'000
Accrued expenses	133,111	88,695
Dividends payable	74,810	37,405
Loan from ESOP	14,438	4,859
Trade payables	6,873	3,766
Unclaimed dividends	6,075	5,272
Other	14,009	8,073
	249,316	148,070

7. Interests in subsidiary and associated companies

	2015 $'000	2014 $'000
Subsidiary companies:		
Shares, at cost	859,710	859,710
Less: Impairment provision	(510)	(510)
	859,200	859,200
Loan accounts receivable	561,007	536,188
Current accounts receivable	2,387,080	2,129,159
Less: Impairment provision	(410,833)	(73,624)
Loan accounts payable	(432,910)	(417,754)
Current accounts payable	(224,765)	(243,006)
Interest in subsidiaries (see page 19)	2,738,779	2,790,163

7. Interests in subsidiary and associated companies

	2015 $'000	2014 $'000
Interest in subsidiaries (see page 18)	2,738,779	2,790,163
Associated companies:		
Shares, at cost	3,269,816	3,269,816
Loan accounts receivable	29,249	26,315
Interest in associated companies	3,299,065	3,296,131
Interests in subsidiary and associated companies	6,037,844	6,086,294

Shares held in an associate, Kingston Wharves Limited are pledged as security against a long-term loan (see note 13).

The recoverable amount of the company's investment in each subsidiary is reviewed annually for impairment. The impairment review at the end of the year resulted in an increase in the impairment provision by $333,640,000 (2014: $86,508,000) net of exchange rate fluctuation of $Nil (2014: $3,726,022).

8. Investments

	2015 $'000	2014 $'000
Available-for-sale securities:		
Quoted	70,717	186,179
Unquoted	40,674	-
Loans and receivables:		
Corporate bonds 2020/(2019)	4,107	4,321
	115,498	190,500

During the year the company obtained a 4.34% equity interest in Shipping Association of Jamaica Property Limited by a distribution-in-kind from Shipping Association of Jamaica.

9. Deferred tax asset

The deferred tax asset is attributable to the following:

	Deferred tax					
	Asset		Liability		Net	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Other assets	15,782	13,413	(15,782)	(13,413)	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

10. Property, plant and equipment

	Work -in-progress $'000	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Total $'000
Cost:					
December 31, 2013	-	55,337	27,140	136,684	219,161
Additions	-	-	-	24,524	24,524
Disposals	-	-	-	(28,702)	(28,702)
December 31, 2014	-	55,337	27,140	132,506	214,983
Additions	1,471	274	-	3,382	5,127
Disposals	-	(47,949)	(15,840)	(22,984)	(86,773)
December 31, 2015	1,471	7,662	11,300	112,904	133,337
Depreciation:					
December 31, 2013	-	14,283	18,265	103,335	135,883
Charge for the year	-	-	792	9,193	9,985
Eliminated on disposals	-	-	-	(28,702)	(28,702)
December 31, 2014	-	14,283	19,057	83,826	117,166
Charge for the year	-	-	76	9,926	10,002
Eliminated on disposals	-	(14,283)	(10,014)	(19,877)	(44,174)
December 31, 2015	-	-	9,119	73,875	82,994
Net book values:					
December 31, 2015	1,471	7,662	2,181	39,029	50,343
December 31, 2014	-	41,054	8,083	48,680	97,817
December 31, 2013	-	41,054	8,875	33,349	83,278

Freehold land and buildings include land as follows:

	2015 $'000	2014 $'000
At cost	-	21,659
Directors' allocation of cost	-	4,507
Total land	-	26,166

The company has given an undertaking to one of its bankers not to encumber the property held at 4 Belmont Road while the company has credit arrangements. The property was sold during the year and as a result this arrangement was cancelled.

11. Share capital

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

Stated capital:	2015 $'000	2014 $'000
Issued and fully paid - 187,024,006 ordinary stock units	18,702	18,702

The company's stated capital does not include share premium which is retained in capital reserves (note 12) in accordance with Section 39 (7) of the Act.

12. Reserves

	2015 $'000	2014 $'000
Capital:		
Share premium (note 11)	135,087	135,087
Fair value reserves	34,185	135,539
Other	1,620,610	1,614,156
Total capital	1,789,882	1,884,782
Revenue:		
Retained profits	2,859,255	2,664,799
	4,649,137	4,549,581

Other capital reserves comprise gains on disposal of property, plant and equipment and investments until December 31, 2001, unrealised exchange gains and unclaimed dividends to stockholders (note 17).

13. Long-term loans

	2015 $'000	2014 $'000
Bonds	1,771,480	1,864,245
Less upfront borrowing costs:		
Balance at start of the year	(29,313)	-
Incurred during the year	-	(37,108)
Amortised in interest expense for the year	7,634	7,795
	(21,679)	(29,313)
Total carrying value of long-term loans	1,749,801	1,834,932
Less: Current portion	(71,480)	(64,245)
	1,678,321	1,770,687

13. Long-term loans (continued)

Corporate bond 1 represents a $1,000,000,000 loan, secured by certain shares in Kingston Wharves Limited, an associate (see note 7). It was repayable by annual instalments of $50,000,000 in the first four years starting March 31, 2013 with a final payment of $800,000,000 in year five. The interest rate on the loan was fixed at 8.9% for the first three years and was to increase to 9.5% for the remaining two years. The loan was restructured effective September 30, 2014 and is now repayable by the year 2020 in yearly instalments of $50,000,000 for the first four years, the sixth year and the seventh year, lump sum payments of $400,000,000 and $300,000,000 in the fifth and final year respectively. The interest was fixed at 8.9% until March 31, 2015, after which it increases to 9.5% until March 31 2017 and thereafter it will be at the Weighted Average Treasury Bill Yield (WATBY) rate plus 2.5%. The WATBY rate will reset at each interest payment date but the total interest rate is capped at 14%.

Corporate bond 2 represents a $1,000,000,000 loan, secured on shares in Kingston Wharves Limited (see note 7) and is repayable by the year 2019 in annual instalments of $50,000,000 for the first four years and a lump sum payment of $800,000,000 in the final year on September 30, 2014.The interest rate is the Weighted Average Treasury Bill Yield (WATBY) plus 2.5%. The WATBY will reset at each semi-annual interest payment date but the interest rate is capped at a rate of 12% for the first two years and thereafter capped at 14% until maturity.

14. Financial income and expenses

	2015 $'000	2014 $'000
Financial income:		
Interest income on bank deposits, loans and receivables	57,009	45,150
Interest income on available-for-sale financial assets	-	1,378
Dividend income on available-for-sale financial assets	163,158	55,353
Net foreign exchange gain	89,600	125,462
	309,767	227,343
Financial expenses:		
Interest expense on financial liabilities measured at amortised cost	(184,176)	(111,270)
Net financial income	125,591	116,073

15. Disclosure of expenses

Profit before taxation is stated after charging:

	2015 $'000	2014 $'000
Directors' emoluments		
- Fees	8,408	8,710
- For management	78,593	64,611
Auditors' remuneration	9,433	8,644
Depreciation	10,002	9,985
Staff costs	205,029	158,356

16. Taxation

(a) The effective tax rate for 2015 was 0.04% (2014: 1.30%) compared to a statutory rate of 25% (2014: 25%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	2015 $'000	2014 $'000
Current tax expense:		
Withholding tax at source on dividend	-	2,894
Minimum Business Tax	120	-
	120	2,894

(b) Reconciliation of actual taxation in change:

	2015 $'000	2014 $'000
Profit before taxation	269,386	222,467
Computed "expected" tax charge at 25%	67,347	55,617
Taxation difference between profit for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	(170,447)	(41,520)
Foreign currency gain on capital items	(20,069)	(22,559)
Capital adjustments	83,410	(29,248)
Disallowed income and expenses, depreciation and other items	39,879	40,604
Actual tax charge recognised in the profit and loss account	120	2,894

(c) At December 31, 2015, taxation losses subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits amounted to approximately $802,807,000 (2014: $507,069,000). The taxation losses disclosed in the financial statements reflect those available under existing legislation. As of January 1, 2014, tax losses may be carried forward indefinitely; however, the amounts that can be utilised is restricted to 50% of chargeable income (before prior year losses) in any one year.

A deferred tax asset of $200,702,000 (2014: $126,767,000) has not been recognised as management considers its realisation within the foreseeable future to be too uncertain.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

17. Distributions to stockholders

	2015 $'000	2014 $'000
Ordinary dividends:		
First interim paid in respect of 2015 - 40¢ (2014: 20¢) per stock unit - gross	74,810	37,405
Unclaimed dividends written back to capital reserves (note 12)	(6,454)	(7,137)
	68,356	30,268

18. Contingent liabilities

One of the company's bankers has issued guarantees on behalf of certain subsidiaries in favour of third parties for $546,366 (2014: $Nil). The company has also given a commitment to one of its subsidiaries of its intention to provide financial support as is necessary for its operations throughout 2015. That subsidiary has a net shareholders' deficit at December 31, 2015 of $541.9 million (2014: $575.8 million).

19. Operating lease arrangements

Non-cancellable operating lease receivables

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

The company earned property rental income of $25,243,000 (2014: $34,280,000) under operating leases. Direct operating expenses arising on the property in the period was $4,698,000 (2014: $8,186,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2015 $'000	2014 $'000
Within one year	3,003	15,998
In the second to fifth year inclusive	1,496	11,144
	4,499	27,142

20. Related parties

(a) Identity of related parties:

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

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

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 30.6% (2014: 28.1%) of the voting shares of the company. In addition to their salaries, the company contributes to various post-employment benefit plans on behalf of key management personnel.

Compensation of key management personnel is as follows:

	2015 $'000	2014 $'000
Short-term employment and other benefits	106,980	98,121
Post-employment benefits	13,060	7,614
Total remuneration, included in directors' emoluments and staff costs, where applicable (see note 15)	120,040	105,735

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
December 31, 2015

20. Related parties (continued)

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

Category and nature of relationship	Nature of transactions	Transactions in year (income)/expense 2015 $'000	Transactions in year (income)/expense 2014 $'000	(Payable)/receivable at end of year 2015 $'000	(Payable)/receivable at end of year 2014 $'000	Terms and conditions *	Provision end of year 2015 $'000	Provision end of year 2014 $'000	(Expense)/recovery during the year 2015 $'000	(Expense)/recovery during the year 2014 $'000
Transactions with joint venture and associate:										
50% joint venture partner	Management services charged by company	(29,337)	(27,688)	28,869	26,315	2,3,4	-	-	-	-
50% joint venture partner	Interest on loans charged by company	-	(1,000)	-	-	2,3,4	-	-	-	-
42% Associate	Dividend income	(120,147)	(43,178)	-	-	3	-	-	-	-
Transactions with directors and key management personnel or entities under their control and/or significant influence:										
Company under their control	Insurance premiums charged to company by broker	2,049	4,580	-	-	1,2,3	N/A	N/A	N/A	N/A

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

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

21. Financial instruments

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

(a) Fair value of financial instruments:

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

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

(b) Financial instrument risks:

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

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

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

(i) Credit risk

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

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

The company manages this risk as follows:

- Cash and cash equivalents and short-term investments

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

  No provision for impairment is deemed necessary.

- Securities purchased under resale agreements

  Assigned collateral, with a fair value of $388,270,000 (2014: $159,932,000) for the company, was held for securities purchased under resale agreements [note 3(d)].

  No provision for impairment is deemed necessary.

- Accounts receivable

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

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

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

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

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

The company manages this risk as follows (continued):

- Non-current investments

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

  No provision for impairment is deemed necessary.

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

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

(ii) Market risk

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

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

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

Currency risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

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

	2015			2014		
	USD	GBP	EUR	USD	GBP	EUR
Cash and cash equivalents	653	5	-	69	4	-
Resale agreements	2,971	-	-	1,303	-	-
Accounts receivable	3	-	-	9	-	-
Accounts payable	(33)	(4)	-	(5)	-	-
Non-current investments	591	-	-	534	-	-
Loans and advances to/(from) subsidiary companies	11,527	412	(1,069)	11,873	(623)	(1,084)
Gross balance sheet exposure	15,712	413	(1,069)	13,783	(619)	(1,084)

Foreign currency sensitivity analysis

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

(i) 10% (2014: 10%) Depreciation of JMD

	Effect on profit	
	2015	2014
	$'000	$'000
USD	187,991	157,387
GBP	7,263	(10,889)
EUR	(13,896)	(14,963)

(ii) 2% (2014: 2%) Appreciation of JMD

	Effect on profit	
	2015	2014
	$'000	$'000
USD	(37,598)	(31,477)
GBP	(1,453)	2,178
EUR	2,779	2,993

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Buying exchange rates at:

	December 31	
	2015	2014
USD 1 to JMD 1	119.64	114.12
GBP 1 to JMD 1	175.74	175.97
EUR 1 to JMD 1	129.97	138.09

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

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

	2015 $'000	2014 $'000
Fixed rate instrument		
Financial assets	355,500	148,730
Financial liabilities	1,771,480	1,864,932

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

Other market price risk

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

The company's equity securities are all listed on the Jamaica Stock Exchange. An increase or decrease of 20% (2014: 20%) in share prices would result in an increase or an equal decrease, respectively, in equity of $14,143,000 (2014: $37,460,000).

There would be no impact on profit or loss at the reporting date, as there were no impaired investments or investments designated as fair value through profit or loss.

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iii) Liquidity risk

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

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

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

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

	Weighted average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
			2015		
Corporate bonds	9.15	1,771,480	2,486,707	244,696	2,242,011
Accounts payables		249,316	249,316	249,316	-
		2,020,796	2,736,023	494,012	2,242,011
			2014		
Corporate bonds	9.76	1,834,932	2,645,376	250,102	2,395,274
Accounts payable		148,070	148,070	148,070	-
		1,983,002	2,793,446	398,172	2,395,274

(iv) Capital management

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

21. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iv) Capital management (continued)

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

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

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

22. Subsidiary, joint venture and associated companies

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

	% equity held		Place of
	2015	2014	business
SUBSIDIARY COMPANIES*			
JP Tropical Group Limited	100	100	Jamaica
Agualta Vale Limited	100	100	Jamaica
Agri Services Limited	100	100	Jamaica
Eastern Banana Estates Limited	100	100	Jamaica
St. Mary Banana Estates Limited	100	100	Jamaica
P.S.C. Limited	100	100	Jamaica
Jamaica Producers Shipping Company Limited	60	60	Jamaica
JP Tropical Foods Limited	100	100	Jamaica
JBFS Investments Limited	100	100	Jamaica
Crescent Developments Limited	100	100	Jamaica
Central American Banana (2005) Limited	100	100	Cayman Islands
Antillean Foods, Inc.	100	100	Cayman Islands
JP Shipping Services Limited	100	100	England and Wales
Four Rivers Mining Company Limited	51	51	Jamaica
JP International Group Limited	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	The Netherlands
Tortuga International Holdings Limited	62	62	St. Lucia
Tortuga (Barbados) Limited (formerly Bakers Choice Inc.)	100	100	Barbados
Tortuga Imports, Inc.	100	100	U.S.A
Tortuga Caribbean Rum Cake Jamaica Limited	100	100	Jamaica
Tortuga International Limited	100	100	Cayman Islands
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
JP Tropical Snacks Limited	100	100	Cayman Islands

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

December 31, 2015

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

	% equity held		Place of
	2015	2014	business
JOINT VENTURE COMPANIES			
Mavis Bank Coffee Factory Limited	50	50	Jamaica
ASSOCIATED COMPANIES			
Kingston Wharves Limited	42	42	Jamaica
Tortuga Cayman Limited	40	40	Cayman Islands

* The names of inactive subsidiary companies are omitted.

FORM OF PROXY

JAMAICA PRODUCERS GROUP LIMITED

I/We……
(Block Capitals)

of………..

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

………………………………………………………………………………… or failing him/her

……

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday June 24, 2016 at 10:00 a.m. and at any adjournment thereof.

DATED this …………………………… day of ………………………………………… 2016

Signed ……………………………………………………………………………………………..

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

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

Notes

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

Place $100
adhesive
stamp here

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