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

Telephone (758) 453-1471
(758) 453-0625
Fax (758) 453-6507
e-Mail kpmg@kpmg.lc

INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN INVESTMENTS LIMITED

We have audited the financial statements of Proven Investments Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 2 to 70, which comprise the consolidated and separate statements of financial position as at March 31, 2016, the consolidated and separate statements of profit or loss, profit or loss and 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 and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and the Company as at March 31, 2016, and of the financial performance and cash flows of the Group and the Company for the year then ended, in accordance with International Financial Reporting Standards.

KPMG

KPMG Eastern Caribbean
May 30, 2016

Castries, Saint Lucia

PROVEN INVESTMENTS LIMITED

Group Statement of Financial Position
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016 $'000	2015 $'000
ASSETS			
Cash and cash equivalents	3(c)(ii)	13,721	10,908
Resale agreements	4	38,767	78,006
Investment securities	5	232,158	208,379
Inventory		643	-
Loans receivable	6	24,993	25,758
Other assets	7	10,602	15,678
Owed by related parties	15	338	-
Income tax recoverable		51	373
Property development in progress	8	210	1,330
Interest in associate	10	-	946
Investment property	11	6,013	414
Intangible assets	12	19,853	21,460
Property, plant and equipment	13	597	861
Deferred tax asset	18	440	232
Total assets		348,386	364,345
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Repurchase agreements	14	159,830	183,811
Owed to related parties	15	-	232
Notes payable	16	96,529	103,122
Current income tax payable		198	824
Other liabilities		11,540	14,118
Preference shares	17	7,978	8,474
Total liabilities		276,075	310,581
Stockholders' equity:			
Share capital	19	69,248	39,980
Fair value reserve	20	(13,190)	(4,589)
Foreign exchange translation reserve	21	(5,809)	(3,503)
Retained earnings		9,400	10,420
Equity attributable to owners of the company		59,649	42,308
Non-controlling interest	22	12,662	11,456
Total stockholders' equity		72,311	53,764
Total liabilities and shareholders' equity		348,386	364,345

The financial statements on pages 2 to 70 were approved for issue by the Board of Directors on May 30, 2016 and signed on its behalf by:

____________________ Chairman
Hugh Hart

____________________ Director
Garfield Sinclair

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

PROVEN INVESTMENTS LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016 $'000	2015 $'000
Net interest income and other revenue			
Interest income	23	25,726	18,632
Interest expense	23	(12,000)	(10,982)
		13,726	7,650
Dividends		1,325	440
Fees and commissions		2,042	699
Net fair value adjustments and realised (losses)/gains	24	(1,035)	387
Net foreign exchange gains		1,503	218
Pension management income		1,887	1,443
Operating revenue, net of interest expense		19,448	10,837
Other income		1,548	542
Total		20,996	11,379
Operating expenses			
Staff costs	25	4,506	2,852
Depreciation and amortisation	12,13	1,887	137
Impairment losses of loans and other assets	6,7	889	442
Impairment loss on investments		1,744	-
Property expenses		844	29
Other operating expenses	26	6,969	4,824
Total		16,839	8,284
Operating profit		4,157	3,095
Preference share dividend	28(f)	(331)	(1,456)
Gain on acquisition of subsidiary	9(a)	-	4,241
Share of profit of associate	10	-	33
Gain on disposal of associate	10(a)	896	-
Profit before income tax		4,722	5,913
Income tax (charge)/credit	27	(439)	60
Profit for the year		4,283	5,973
Profit attributable to:			
Owners of the company		2,344	5,365
Non-controlling interest		1,939	608
Profit for the year		4,283	5,973
Earnings per stock unit	29	0.44¢	1.51¢

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

PROVEN INVESTMENTS LIMITED

Group Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2016
(*Presented in United States dollars, except as otherwise stated)*

	2016 $'000	2015 $'000
Profit for the year	4,283	5,973
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Realised losses on available-for-sale securities	2,216	977
Unrealised losses on available-for-sale securities, net of tax	(12,788)	(2,920)
Impairment loss on available for sale investment	1,744	-
Deferred tax on unrealised gains on available-for-sale securities	227	62
Exchange differences on translation of foreign operations	(2,306)	(978)
Total other comprehensive loss	(10,907)	(2,859)
Total comprehensive (loss)/income for the year	(6,624)	3,114
Total comprehensive (loss)/income attributable to:		
Owners of the company	(8,563)	2,506
Non-controlling interests	1,939	608
Total comprehensive (loss) /income for the year	(6,624)	3,114

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

PROVEN INVESTMENTS LIMITED

Group Statement of Changes in Equity
March 31, 2016
(*Presented in United States dollars, except as otherwise stated)*

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Foreign exchange translation reserve $'000 (note 21)	Retained earnings $'000	Attributable to equity holders of the Company $'000	Non-controlling interest $'000	Total $'000
Balances at March 31, 2014	29,657	(2,708)	(2,525)	8,484	32,908	111	33,019
Total comprehensive income for the year							
Profit for the year	-	-	-	5,365	5,365	608	5,973
Other comprehensive loss for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(978)	-	(978)	-	(978)
Realised losses on available-for-sale securities	-	977	-	-	977	-	977
Unrealised losses on fair value of available-for-sale securities	-	(2,920)	-	-	(2,920)	-	(2,920)
Deferred tax credit on unrealised losses	-	62	-	-	62	-	62
Total other comprehensive loss for the year, net of tax	-	(1,881)	(978)	-	(2,859)	-	(2,859)
Total comprehensive income for the year	-	(1,881)	(978)	5,365	2,506	608	3,114
Transactions with owners recorded directly in equity							
Issue of ordinary shares (note 19)	10,323	-	-	-	10,323	-	10,323
Dividends to equity holders (note 30)	-	-	-	(3,429)	(3,429)	(221)	(3,650)
	10,323	-	-	(3,429)	6,894	(221)	6,673
Change in ownership interest							
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	10,958	10,958
Balances at March 31, 2015	39,980	(4,589)	(3,503)	10,420	42,308	11,456	53,764
Total comprehensive loss for the year							
Profit for the year	-	-	-	2,344	2,344	1,939	4,283
Other comprehensive loss for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(2,306)	-	(2,306)	-	(2,306)
Realised losses on available-for-sale securities	-	2,216	-	-	2,216	-	2,216
Unrealised losses on fair value of available-for-sale securities	-	(12,788)	-	-	(12,788)	-	(12,788)
Impairment loss on available-for-sale security reclassified to profit or loss	-	1,744	-	-	1,744	-	1,744
Deferred tax credit on unrealised losses	-	227	-	-	227	-	227
Total other comprehensive loss for the year, net of tax	-	(8,601)	(2,306)	-	(10,907)	-	(10,907)
Total comprehensive loss for the year	-	(8,601)	(2,306)	2,344	(8,563)	1,939	(6,624)
Transactions with owners recorded directly in equity							
Issue of ordinary shares (note 19)	29,268	-	-	-	29,268	-	29,268
Dividends to equity holders (note 30)	-	-	-	(3,364)	(3,364)	(616)	(3,980)
Change in ownership interest							
Acquisition of non-controlling interest with change in control	-	-	-	-	-	(117)	(117)
Balances at March 31, 2016	69,248	(13,190)	(5,809)	9,400	59,649	12,662	72,311

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

PROVEN INVESTMENTS LIMITED

Group Statement of Cash Flows
March 31, 2016
(*Presented in United States dollars, except as otherwise stated)*

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities:			
Profit for the year		4,283	5,973
Adjustments for:			
Depreciation	13	218	111
Amortisation	12	1,669	26
Adjustment on revaluation of investment property			-
Interest income	23	(25,726)	(18,632)
Interest expense	23	12,000	10,982
Dividend income		(1,325)	(440)
Impairment loss on bond		1,744	-
Loss on disposal of property, plant and equipment		(1)	67
Gain on the disposal of investments in associates	10	(896)	-
Income from associate	10	-	(33)
Gain on purchase of subsidiary	10	-	(4,241)
Unrealised exchange loss on preference shares		(496)	(437)
Unrealised foreign exchange gain		(2,205)	(855)
Income tax charge	27	439	(60)
		(10,296)	(7,539)
Change in operating assets and liabilities			
Investment securities		(34,195)	85,021
Loans receivable		765	4,041
Other assets		8,902	(3,274)
Other liabilities		(2,468)	2,397
Repurchase agreements		(23,981)	(22,370)
Income tax recoverable		-	51
Resale agreements		39,239	(75,708)
Inventory		(643)	-
Owed to related party		(570)	(121)
		(23,247)	(17,502)
Interest received		21,900	16,365
Dividend received		1,325	440
Interest paid		(12,110)	(10,283)
Income tax paid		(951)	(428)
Net cash used in operating activities		(13,083)	(11,408)
Cash flows from investing activities:			
Acquisition of subsidiaries, net of cash acquired		-	(25,673)
Acquisition of additional shares in subsidiary	9(c)	(117)	-
Acquisition of interest in associate	10	-	(913)
Development in progress		1,120	(1,033)
Proceeds from sale of investment property		-	730
Purchase of investment property		(5,599)	-
Proceeds from sale of associate		1,842	-
Purchase of property, plant and equipment	13	(140)	(92)
Proceeds from sale property plant and equipment		187	-
Purchase of intangible asset	12	(92)	(5)
Net cash used in investing activities		(2,799)	(26,986)
Net cash flows from operating and investing activities (carried forward to page 7)		(15,882)	(38,394)

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

PROVEN INVESTMENTS LIMITED

Group Statement of Cash Flows
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016 $'000	2015 $'000
Cash flows from operating and investing activities (brought forward from page 6)		(15,882)	(38,394)
Cash flows from financing activities:			
Proceeds of issue of shares	19	29,268	10,323
Notes payable		(6,593)	38,161
Dividend paid	30	(3,980)	(3,650)
Net cash provided by financing activities		18,695	44,834
Net increase in cash and cash equivalents		2,813	6,440
Effect of exchange rate fluctuations on cash and cash equivalents		-	(12)
Cash and cash equivalents at beginning of year		10,908	4,480
Cash and cash equivalents at end of year		13,721	10,908

PROVEN INVESTMENTS LIMITED

Company Statement of Financial Position
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016	2015
		$'000	$'000
ASSETS			
Cash and cash equivalents	3(c)(ii)	1,625	946
Resale agreements	4	164	-
Investment securities	5	126,871	114,032
Loans receivable	6	7,142	9,505
Other assets	7	1,690	1,525
Owed by subsidiary	15	-	1,188
Owed by related parties	15	259	-
Income tax recoverable		51	-
Investment in subsidiaries	9	46,403	45,639
Interest in associate	10	-	913
Investment property	11	5,623	-
Total assets		189,828	173,748
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Repurchase agreements	14	23,810	21,538
Owed to related parties	15	-	232
Owed to subsidiaries	15	215	-
Notes payable	16	86,610	93,262
Preference shares	17	7,978	8,474
Current income tax payable		-	21
Other liabilities		4,342	3,103
Total liabilities		122,955	126,630
Shareholders' equity:			
Share capital	19	69,248	39,980
Fair value reserve	20	(11,019)	(2,946)
Retained earnings		8,644	10,084
Total shareholders' equity		66,873	47,118
Total liabilities and shareholders' equity		189,828	173,748

The financial statements on pages 2 to 70 were approved for issue by the Board of Directors on May 30, 2016 and signed on its behalf by:

Chairman
Hugh Hart

Director
Garfield Sinclair

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

PROVEN INVESTMENTS LIMITED

Company Statement of Profit or Loss and other Comprehensive Income
Year ended March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016 $'000	2015 $'000
Net interest income and other revenue			
Interest income	23	7,464	6,611
Interest expense	23	(5,379)	(4,560)
		2,085	2,051
Dividends		3,197	654
Net fair value adjustments and realised (losses)/gains	24	(1,822)	1,794
Net foreign exchange gains		1,082	69
Operating revenue, net of interest expense		4,542	4,568
Other income		409	176
Total		4,951	4,744
Operating expenses			
Staff costs	25	51	104
Impairment (gains)/losses on loans and other assets	7	(333)	350
Impairment loss on investments		1,744	-
Other operating expenses	26	2,220	2,547
Total		3,682	3,001
Operating profit		1,269	1743
Preference share dividend	28(f)	(331)	(1,456)
Gain on disposal of associate	10(a)	929	-
Profit before income tax		1,867	287
Income tax credit	27	57	11
Profit for the year		1,924	298

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

PROVEN INVESTMENTS LIMITED

Company Statement of Profit or Loss and other Comprehensive Income
Year ended March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	2016 $'000	2015 $'000
Profit for the year	1,924	298
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Realised losses on available-for-sale securities	2,039	988
Unrealised losses on available-for-sale securities, net of tax	(11,856)	(2,753)
Impairment loss on available for sale investment reclassified to profit	1,744	-
Total comprehensive loss for the year	(6,149)	(1,467)

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

PROVEN INVESTMENTS LIMITED

Company Statement of Changes in Equity
Year ended March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Share capital $'000 (note 19)	Fair value reserve $'000 (note 20)	Retained earnings $'000	Total $'000
Balances at March 31, 2014	29,657	(1,181)	13,215	41,691
Total comprehensive income for the year				
Profit for the year	-	-	298	298
Other comprehensive income for the year				
Unrealised loss on fair value of available-for-sale securities	-	(2,753)	-	(2,753)
Realised gain in fair value of available-for-sale securities	-	988	-	988
Total other comprehensive loss for the year	-	(1,765)	-	(1,765)
Total comprehensive loss for the year	-	(1,765)	298	(1,467)
Transactions with owners recorded directly in equity:				
Issue of ordinary shares (note 19)	10,323	-	-	10,323
Dividends to equity holders (note 30)	-	-	(3,429)	(3,429)
Balances at March 31, 2015	39,980	(2,946)	10,084	47,118
Total comprehensive income for the year				
Profit for the year	-	-	1,924	1,924
Other comprehensive income for the year				
Realised losses on available-for-sale securities	-	2,039	-	2,039
Unrealised loss on fair value of available-for-sale securities	-	(10,112)	-	(10,112)
	-	(8,073)	1,924	(6,149)
Transactions with owners recorded directly in equity:				
Issue of ordinary shares (note 19)	29,268	-	-	29,268
Dividends to equity holders (note 30)	-	-	(3,364)	(3,364)
Balances at March 31, 2016	69,248	(11,019)	8,644	66,873

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

PROVEN INVESTMENTS LIMITED

Company Statement of Cash Flows
Year ended March 31, 2016
(Presented in United States dollars, except as otherwise stated)

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities:			
Profit for the year		1,924	298
Adjustments for:			
Impairment loss on bonds		1,744	-
Interest income	23	(7,464)	(6,611)
Interest expense	23	5,379	4,560
Dividend income		(3,197)	(654)
Unrealised exchange loss on preference shares		(496)	(437)
Unrealised foreign exchange gain		(1,082)	(69)
Income tax credit	27	(57)	(11)
Gain on disposal of associate	10	(929)	-
		(4,178)	(2,924)
Change in operating assets and liabilities			
Investment securities		(21,574)	(22,411)
Loans receivable		2,363	312
Other assets		194	(43)
Owed by related party		1,028	(1,112)
Other liabilities		880	2,538
Repurchase agreements		1,944	1,056
Resale agreements		164	-
Owed to related party		(116)	(1,744)
		(19,295)	(24,328)
Interest received		7,105	6,376
Dividend received		3,197	654
Interest paid		(5,020)	(4,325)
Income tax paid		(15)	(6)
Net cash used in operating activities		(14,028)	(21,629)
Cash flows from investing activities:			
Acquisition of subsidiaries, net of cash acquired		-	(28,169)
Acquisition of additional shares in subsidiaries	9	(764)	-
Disposal/(acquisition) of interest in associate	10	1,842	(913)
Purchase of investment property		(5,623)	-
Net cash used in investing activities		(4,545)	(29,082)
Cash flows from financing activities:			
Proceeds of issue of shares	19	29,268	10,323
Notes payable		(6,652)	44,508
Dividend paid	30	(3,364)	(3,429)
Net cash provided by financing activities		19,252	51,402
Net increase in cash and cash equivalents		679	691
Cash and cash equivalents at beginning of year		946	255
Cash and cash equivalents at end of year		1,625	946

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

1. Identification

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

The Company's shares are listed on the Jamaica Stock Exchange.

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

The Company has the following subsidiaries:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2016	2015
Proven Wealth Limited	Jamaica	Fund management, investment advisory services, and money market and equity trading	100	100
Proven REIT Limited and its wholly-owned subsidiary	Saint Lucia	Real estate investment	85	85
Proven Kingsway Limited	Saint Lucia	Real estate investment	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
PWL Transition Limited	Jamaica	Pension funds management	100	-
Access Financial Services	Jamaica	Retail lending	49.72	49.27

The Company and its subsidiaries are collectively referred to as "Group".

During the year the Group disposed of its 20% interest in Knutsford Express Limited.

2. Basis of preparation

(a) Statement of compliance

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

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

Certain new revised and amended standards and interpretations came into effect during the year. None of them had any significant effect on the amount and disclosures in the financial statements.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Groups operations and has determined that the following are likely to have an effect on its financial statements.

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

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

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

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

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

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

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations 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.*

- 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.

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

- *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:

  (i) 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 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.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations not yet effective (continued):

- *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 (continued):

  (ii) IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset - e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'. IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets* and *Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

  (ii) 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.

  (iii) 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 2017 financial statements.

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations not yet effective (continued):

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarify the following:

    - the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
    - a deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.
    - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
    - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
    - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

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

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

2. Basis of preparation (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations not yet effective (continued):

- IFRS 15, *Revenue From Contracts With Customers*, (continued)

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

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

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

  Lessor accounting remains similar to current practice, as the lessor will continue to classify leases as finance and operating leases.

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

The Group is assessing the impact that the new standards and amendment to the standards will have on the financial statements when they become effective.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

2. Basis of preparation (continued)

(d) Estimates critical to reported amounts, and judgements made in applying accounting policies:

The preparation of the financial statements in conformity with IFRS requires management to make estimates, based on assumptions and judgements. Management also makes judgements, other than those involving estimations, in the process of applying the accounting policies. The estimates and judgements affect (1) the reported amounts of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended, and (2) the carrying amounts of assets and liabilities in the next financial year.

The estimates, and the assumptions underlying them, as well as the judgements 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.

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(i) Key sources of estimation uncertainty

- Allowance for impairment losses

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

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

- Fair value of financial instruments

  There are no quoted market prices for a significant portion of the Group's financial assets and liabilities. Accordingly, fair values of several financial assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach; the fair values determined in this way are classified as Level 2 fair values. Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 5 and 33).

2. Basis of preparation (continued)

(d) Estimates critical to reported amounts, and judgements made in applying accounting policies (continued):

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

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

Management is sometimes also required to make critical judgements in applying accounting policies. These include the following judgements:

- Whether the criteria are met for classifying financial assets. For example, the determination of whether a security may be classified as 'loans and receivables' (note 5) or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy (note 30) requires judgement as to whether a market is active.
- In designating a security as 'held-to-maturity', management judges whether the Group has the ability to hold the security to maturity.
- In determining whether the Group has control over an investee and should therefore consolidate that investee, management considers the percentage of the investee's share capital that it holds and makes judgements about other relevant factors affecting control (see note 9).

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 unilaterally direct the relevant activities of an investee so as to obtain benefits from its activities.

The Group measures goodwill at the acquisition date as:

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

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(i) Business combinations (continued)

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

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

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

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

(ii) Subsidiaries

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

(iii) Non-controlling interests

Non-controlling interests are measured at fair value 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.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

(iv) Loss of control

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

(v) Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(v) Associates (continued)

Interest in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes 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 equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an associate, 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 an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised.

(vi) Transactions eliminated on consolidation

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

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

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

(i) Classification of financial instruments

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts as set out herein.

The Group classifies non-derivative financial assets into the following categories. Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased.

Loans and receivables: This comprises securities acquired, loans granted with fixed or determinable payments and which are not quoted in an active market.

Held-to-maturity: This comprises securities with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity.

Fair value through profit or loss: This comprises securities that the Group acquires for the purpose of selling or repurchasing in the near term, or that it holds as part of a portfolio that is managed together for short-term profit or position taking, or that it designates as such at the time of acquisition.

3. Significant accounting policies (continued)

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

(i) Classification of financial instruments (continued)

Available-for-sale: The Group's financial instruments included in this classification are securities with prices quoted in an active market or for which the fair values are otherwise determinable, and which are designated as such upon acquisition or not classified in any of the other categories.

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

(ii) Recognition and derecognition - non-derivative financial assets and financial liabilities

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

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

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

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

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

(iii) Measurement and gains and losses - Non-derivative financial assets

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

3. Significant accounting policies (continued)

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

(iii) Measurement and gains and losses - Non-derivative financial assets (continued)

Held-to-maturity: On initial recognition these are measured at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Any sale or reclassification of a significant amount of held-to-maturity investments that are not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the financial year in which sale or reclassification occurs and the following two financial years.

Financial assets at fair value through profit or loss: On initial recognition these are measured at fair value, with directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, as well as any interest or dividend income, are recognised in profit or loss.

A*vailable-for-sale:* On initial recognition, these are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

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

- When securities classified as available-for-sale are sold or impaired, the fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

(c) Financial instruments - Other

(i) Non-trading derivatives

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

The Group evaluates financial instruments which it acquires or issues to determine whether derivatives are embedded in any of the contracts (making it a “host contract”). The Group accounts for an embedded derivative separately from the host contract when (i) the host contract is not itself carried at fair value through profit or loss, (ii) the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract, and (iii) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(i) Non-trading derivatives (continued)

Separated embedded derivatives are accounted for depending on their classification, and are presented in the statement of financial position together with the host contract. When an embedded derivative cannot be separated from the host contract, the entire contract is designated as at fair value through profit or loss.

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

(ii) Cash and cash equivalents

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

Cash and cash equivalents are measured at amortised cost.

(iii) Other assets

Other assets are measured at amortised cost less impairment losses.

(iv) Other liabilities

Other liabilities are measured at amortised cost.

(v) Resale and repurchase agreements

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

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retain either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(v) Resale and repurchase agreements (continued)

Repurchase agreements are accounted for as short-term collateralised borrowing, and are classified as other liabilities. On initial recognition and subsequently, the securities given as collateral are retained in the statement of financial position and measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. The difference between the sale consideration and the repurchase cost is recognised in profit or loss over the life of each agreement as interest expense using the effective interest method.

(vi) Share capital

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

(1) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;

(2) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividends thereon are recognised as interest in profit or loss.

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

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

(vii) Loans and notes receivable and other receivables

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

(viii) Accounts payable

Accounts payable are measured at amortised cost.

(ix) Interest-bearing borrowings

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

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(x) Offsetting

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

(xi) Amortised cost

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

(d) Property development costs

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

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

(e) Investment property

Investment properties, comprising principally land and buildings, are held for long-term rental yields and capital appreciation and are treated as long-term investments. They are measured initially at cost, including related transaction costs and are subsequently measured at fair value.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Fair value is determined every three years by an independent registered valuer, and in each of the two intervening years by the directors. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

3. Significant accounting policies (continued)

(e) Investment property (continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

(f) Property, plant and equipment

(i) Cost

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

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

(ii) Depreciation

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

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

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

(g) Intangible assets

(i) Customer relationships and non-compete agreements that are acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Trade name, licences and goodwill have indefinite useful lives and are carried at cost less accumulated impairment losses. The useful lives of such assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for those assets. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

3. Significant accounting policies (continued)

(g) Intangible assets (continued)

(ii) 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.

(iii) Amortisation

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

The estimated useful lives are as follows:

- Customer relationships 6 to 20 years
- Non-compete agreement 2-5 years

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

(iv) Impairment of assets

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, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset, or group of operating assets, exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(h) Foreign currency translation

(i) Transactions and balances

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

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

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

3. Significant accounting policies (continued)

(h) Foreign currency translation (continued)

(ii) Foreign operations

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

(i) Income tax

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

(j) Impairment

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

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

3. Significant accounting policies (continued)

(j) Impairment (continued)

(1) Calculation of recoverable amount

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

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

(2) Reversals of impairment

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

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

(k) Investment in subsidiaries

Investment in subsidiaries is carried at cost, less impairment losses, if any.

(l) Revenue recognition

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

3. Significant accounting policies (continued)

(l) Revenue recognition (continued)

(i) Interest income

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

(ii) Fee and commission income

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

(iii) Dividends

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

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

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

(m) Interest expense

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

4. Resale agreements

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

4. Resale agreements (continued)

Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfill its contractual obligations. At the reporting date, the fair value of the securities held as collateral for resale agreements was $45,332,612 (2015: $82,389,000) for the Group and $178,000 (2015: $Nil) for the Company.

5. Investment securities

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss				
Quoted equities	65	42	-	-
Credit linked notes	2,000	17,483	2,000	17,483
Foreign currency forward contracts	70	723	70	723
	2,135	18,248	2,070	18,206
Available-for-sale securities				
Credit linked notes	12,120	-	12,120	-
Government of Jamaica securities	75,318	50,596	-	1,484
Equities - Jamaica	27	28	10	10
Global equities	1,805	298	1,805	298
Global bonds	49,388	61,253	29,615	29,243
Treasury bills	1,000	6,000	-	-
Mutual funds	24,116	19,603	24,116	19,603
Corporate bonds	58,733	46,513	57,135	45,188
Commercial paper	3,968	1,904	-	-
	226,475	186,195	124,801	95,826
Loans and receivables				
Government of Jamaica securities	3,548	3,936	-	-
	232,158	208,379	126,871	114,032

6. Loans receivable

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Margin loans [see (a) below]	5,876	6,744	-	-
Hire purchase loans	17,297	13,264	-	-
Corporate notes	1,820	5,750	7,142	9,505
	24,993	25,758	7,142	9,505

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

At the reporting date, the fair value of the collateral pledged by the clients and re-pledged by the Group was $36,159,000 (2015: $14,890,000).

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

6. Loans receivable

(b) Loans receivable, net of allowance for impairment, are due, from the reporting date, as follows:

	Group			
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
	2016			
Margin loans	790	5,086	-	5,876
Hire purchase loans	-	17,297	-	17,297
Corporate notes	-	-	1,820	1,820
	790	22,383	1,820	24,993
	2015			
Margin loans	1,486	5,258	-	6,744
Hire purchase loans	13,051	213	-	13,264
Corporate notes	-	2,500	3,250	5,750
	14,537	7,971	3,250	25,758

	Company			
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
	2016			
Corporate notes	-	5,642	1,500	7,142
	2015			
Corporate notes	-	2,500	7,005	9,505

(c) Impairment losses

(i) The aging of loans receivable is as follows:

	Group			
	2016		2015	
	Gross $'000	Allowance for impairment $'000	Gross $'000	Allowance for impairment $'000
Not past due and not impaired	23,560	-	24,858	-
Less than 90 days past due and not impaired	2,609	1,176	1,329	429
More than 90 days past due and impaired	1,526	1,526	1,422	1,422
	27,695	2,702	27,609	1,851

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

6. Loans receivable

(c) Impairment losses (continued)

(ii) The movement on the impairment allowance is as follows:

	Group	
	2016	2015
	$'000	$'000
Balance at the beginning of the year	1,851	80
Impairment losses recognised	980	92
Acquired through business combination	-	1,831
Effect of exchange rate movements	(129)	(152)
Balance at the end of the year	2,702	1,851

7. Other assets

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Withholding tax recoverable	4,389	4,436	-	-
Due from joint operation partner	446	1,342	-	-
Due from clients	761	543	-	-
Interest receivable	3,826	3,812	1,644	1,386
Other [see (a)]	1,687	5,997	47	493
	11,109	16,130	1,691	1,879
Less allowance for impairment [see (b)]	(507)	(452)	(1)	(354)
	10,602	15,678	1,690	1,525

(a) Included in this amount is $106,000 (2015: $154,000) expended on the planning for the development of property.

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

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Due from clients	505	102	-	-
Other	2	350	1	354
	507	452	1	354

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

7. Other assets (continued)

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

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

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Balance at beginning of year	452	107	354	4
Bad debt recovered	(333)	-	(333)	-
Write-offs	(83)	-	(20)	-
Impairment losses recognised	242	350	-	350
Effect of exchange rate movements	229	(5)	-	-
Balance at end of year	507	452	1	354

8. Property development in progress

The Group is a participant with another party in a joint operation to develop and sell property comprising residential apartment units. Under the terms of the agreement dated March 28, 2014, the Group will contribute land and undertake certain other activities. The Group and the other joint operator will each share equally in the net profits of the development. The amount of $297,000 represents the Group's contribution to the joint operation less the other party's interest therein; the other party, in return for its interest in the transferred property, is obligated to contribute certain expertise, services and other things. The value to the Group of this obligation is included in other assets. (Note 11).

	Group	
	2016	2015
	$'000	$'000
At beginning of year	1,330	297
Cost of property transferred	(1,120)	-
Construction costs	-	1,033
At end of year	210	1,330

9. Investment in subsidiaries

	Company	
	2016	2015
	$'000	$'000
Ordinary shares:		
Proven Wealth Limited	16,567	16,567
Proven REIT Limited	491	491
Asset Management Company Limited	412	412
PWL Transition Limited [see (a) below]	18,176	17,529
Access Financial Services Limited [see (b) below]	10,757	10,640
	46,403	45,639

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

9. Investment in subsidiaries (continued)

(a) Acquisition of PWL Transition Limited

On May 30, 2014, Proven Investments Limited acquired the entire issued share capital of FirstGlobal Financial Services Limited. The acquired company was subsequently renamed PWL Transition Limited ("PWLTL"). The principal activities of PWLTL at that date were investment and funds management, pension management, stock broking and rental of properties. Subsequently, on January 2, 2015, an amalgamation was effected which included the transfer of selected assets and liabilities and the investment fund management and stock broking operations of PWLTL to a fellow subsidiary, Proven Wealth Limited ("PWL"). As a consequence of the transfers, the principal activities of PWLTL at the reporting date were the provision of pension management services. PWLTL is a licensed securities dealer and is regulated by the Financial Services Commission (FSC) under the Pensions (Superannuation Funds and Retirement Schemes) Act 2004 and the Securities Act. The acquisition is expected to provide an enhanced level of income, above-average returns, and preservation of capital for shareholders of the Company.

Since the date of acquisition, PWLTL has contributed revenue of $1,887,000 (2015: $13,345,000 and attributable post-acquisition profit/(loss) of $992,000 (2015: $215,000 to the Group's results in the period to March 31, 2016. The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition.

(i) Identifiable assets acquired and liabilities assumed:

	2015 $'000
Cash and cash equivalents	1,378
Available-for-sale investments	180,407
Other receivables	4,775
Investment property	1,157
Intangible assets	6,426
Property, plant and equipment	122
Repurchase agreements	(162,106)
Notes payable	(5,886)
Deferred tax	(172)
Other liabilities	(3,684)
	22,417
Consideration transferred:	
Cash	(18,176)
Gain on acquisition of subsidiary	4,241

(ii) Cash flow on acquisition

	2015 $'000
Total consideration transferred, per above	18,176
Less: cash acquired, per above	(1,378)
Net cash used on acquisition	16,798

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

9. Investment in subsidiaries (continued)

(b) Acquisition of Access Financial Services Limited

With effect from December 30, 2014, Proven Investments Limited acquired 49.27% of the issued shares of Access Financial Services Limited ("Access"), obtaining control in the process. The principal activity of Access is retail lending in the microfinance sector for personal and business purposes. The acquisition is expected to provide an enhanced level of income, above-average returns, and preservation of capital for shareholders of the Company.

Since the date of acquisition, Access has contributed revenue of US$9,263,000 (2015: US$2,415,000 and attributable post-acquisition profit of $3,878,000 (2015: $1,234,000 to the Group's results.

The following summarises the consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(i) Identifiable assets acquired and liabilities assumed

	2015 $'000
Cash and cash equivalents	1,118
Investments	18
Loans receivable	9,487
Intangible assets	6,917
Property, plant and equipment	617
Deferred tax asset	11
Other assets	138
	18,306
Notes payable	(2,777)
Income tax payable	(52)
Other liabilities	(1,512)
	(4,341)
Total identifiable net assets acquired	13,965
Less: Non-controlling interest	(10,958)
Total acquired interest attributable to shareholders of the parent	3,007
Goodwill acquired	7,633
Consideration paid	10,640

(ii) Cash flow on acquisition

	2015 $'000
Cash consideration	10,640
Cash acquired	(1,118)
Net cash outflow arising on the acquisition	9,522

The goodwill is attributable to the skills and technical talent of Access workforce and the synergies expected to be achieved from integrating the company in the Groups existing structure.

9. Investment in subsidiaries (continued)

(c) During the year the company acquired an additional 1,249,604 shares in Access Financial Services Limited at a cost of $117,000.

(d) New information has been obtained within a year of the date of the acquisition about facts and circumstances used to derive customer relationships and goodwill at the acquisition date. Based on this information the amount for customer relationship and goodwill on acquisition of the subsidiary has been revised (see note 12).

10. Interest in associate

(a) On December 1, 2014, the Group's equity interest in Knutsford Express Limited ("Knutsford") increased from 10% to 20% and Knutsford Express Limited became an associate from that date. The Group disposed of its interest in Knutsford, effective December 30, 2015 and recognised a gain on disposal of $896,000 for the Group and $929,000 for the Company.

(b) The following table summarises the financial information of Knutsford Express Limited as included in its financial statements as at and for the nine months ended February 28, 2015, 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
Group's percentage ownership interest	20.00%
Non-current assets	1,543
Current assets	709
Non-current liabilities	(115)
Current liabilities	(318)
Net assets of Knutsford (100%)	1,819

Acquisition costs

The Group incurred acquisition related costs of $169,313 for external legal fees, stamp duty and due diligence. These costs were included in other operating expenses in the Group's statement of profit or loss and other comprehensive income in 2015.

(c) Disclosure of financial information

	2015
	$'000
Group's share of net assets (20%)	364
Goodwill and other intangible assets	582
Carrying amount of interest in associate	946
Revenue	2,888
Net profit, being total comprehensive income for the period (100%)	420
Group's share of total comprehensive income (20%)	84

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

11. Investment property

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
At beginning of year	414	-	-	-
Acquisition through business combination	-	1,157	-	-
Investment property acquired	4,212	-	4,212	-
Fair value adjustment for investment property	1,411	-	1,411	-
Disposal	-	(730)	-	-
Foreign exchange translation adjustment	(24)	(13)	-	-
	6,013	414	5,623	-

The company's land and buildings were last revalued in February 2016 and December 2015 by independent valuators, Allison Pitter & Co. and NAI Jamaica Langford and Brown. The valuations were done on the basis of open market value. The fair value of the investment property is categorised into Level 3 of the fair value hierarchy.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market approach. This model takes into account: • The fact that the intention is to dispose of the property in an open market transaction. • The expected sale would take place on the basis of a willing seller and willing buyer. • A reasonable period in which to negotiate a sale, taking into account the nature of the property and state of the market. • Values are expected to remain stable throughout the period of market exposure and disposal by of sale (hypothetical). • The property will be freely exposed to the market; and • The potential rental value of the property in the current investment climate.	• Judgements about whether the property can be sold, exchanged, transferred, let, mortgaged or used for any other economic activity, within its use class. • The strength of demand for the property, given its condition, location and range of potential uses. • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • The level of current and future economic activity in the location and the impact on the strength of the demand is greater/(less) than judged. • The potential rental income from the property is greater / (less) than judged.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

12. Intangible assets

	Group						
	Customer relationships	Non-compete agreements	Trade name	Goodwill	License	Computer software	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:							
March 31, 2014	-	-	-	-	515	62	577
Acquisitions through business combination	9,452	1,570	2,269	7,633	-	253	21,177
Additions	-	-	-	-	-	5	5
Translation adjustment	-	-	-	-	(25)	(10)	(35)
March 31, 2015	9,452	1,570	2,269	7,633	490	310	21,724
Additions	-	-	-	-	-	92	92
Translation adjustment	-	-	-	-	(28)	(20)	(48)
Management adjustment [see note 9(d)]	(2,722)	-	-	2,722	-	-	-
March 31, 2016	6,730	1,570	2,269	10,355	462	382	21,768
Amortisation:							
March 31, 2014	-	-	-	-	-	47	47
Acquisition through business combination	-	-	-	-	-	201	201
Amortisation for the year	-	-	-	-	-	26	26
Translation adjustment	-	-	-	-	-	(10)	(10)
March 31, 2015	-	-	-	-	-	264	264
Amortisation for the year	1,099	465	-	-	-	105	1,669
Translation adjustment	-	-	-	-	-	(18)	(18)
March 31, 2016	1,099	465	-	-	-	351	1,915
Net book values:							
March 31, 2016	5,631	1,105	2,269	10,355	462	31	19,853
March 31, 2015	9,452	1,570	2,269	7,633	490	46	21,460
March 31, 2014	-	-	-	-	515	15	530

Impairment testing of is carried out by comparing the recoverable amount of the Group's cash-generating unit (CGU) to which goodwill has been allocated, to the carrying amount of that CGU. The only CGU recognising goodwill for the Group is Access Financial Services Limited (AFS).

Management has determined that goodwill at the reporting date is not impaired based on an assessment of the recoverable amount of the CGU. The recoverable amount of the CGU was estimated based on fair value less costs to sell calculations. The fair value was determined with reference to the quoted bid price of AFS shares on the Jamaica Stock Exchange.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

13. Property, plant and equipment

	Group						
	Leasehold improvements $'000	Furniture, fixtures and equipment $'000	Motor vehicles $'000	Computer equipment $'000	Work in progress $'000	Art-work $'000	Total $'000
Cost:							
March 31, 2014	87	260	35	146	-	-	528
Acquisitions through business combination	482	636	278	954	10	5	2,365
Additions	17	26	-	49	-	-	92
Disposals	-	(39)	(93)	-	-	-	(132)
Translation adjustment	(10)	(9)	55	(25)	-	-	11
March 31, 2015	576	874	275	1,124	10	5	2,864
Additions	55	31	34	8	12	-	140
Disposals	(137)	(16)		-	-	-	(153)
Translation adjustment	(14)	(21)	(7)	(27)	-	-	(69)
March 31, 2016	480	868	302	1,105	22	5	2,782
Depreciation:							
March 31, 2014	14	137	35	111	-	-	297
Acquisition through business combination	139	388	243	856	-	-	1,626
Charge for the year	25	44	13	29	-	-	111
Disposals	-	(16)	(49)	-	-	-	(65)
Translation adjustment	(11)	61	18	(34)	-	-	34
March 31, 2015	167	614	260	962	-	-	2,003
Charge for the year	56	56	7	29	-	-	218
Disposals	(1)	(8)	(47)	-	-	-	(56)
Translation adjustment	3	3	12	2	-	-	20
March 31, 2016	225	665	302	993	-	-	2,185
Net book values:							
March 31, 2016	255	203	-	112	22	5	597
March 31, 2015	409	260	15	162	10	5	861
March 31, 2014	73	123	-	35	-	-	231

14. Repurchase agreements

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Denominated in Jamaica dollars	77,507	75,461		-
Denominated in United States dollars	82,323	108,210	23,810	21,387
Denominated in Pounds Sterling	-	140	-	151
	159,830	183,811	23,810	21,538

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

15. Owed by subsidiary/owed to related parties

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Owed (to)/by subsidiaries				
Current accounts	-	-	(215)	1,188
Owed by/(to) related parties				
Current accounts	420	-	341	-
Dividend payable	(82)	(168)	(82)	(168)
Accrued management fees	-	(64)	-	(64)
	338	(232)	259	(232)

16. Notes payable

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Structured notes [See (i)]	63,348	55,036	63,348	55,036
Equity-linked notes [See (ii)]	6,259	7,206	6,259	7,206
Credit linked notes [See iii)]	-	5,552	-	5,552
Secured investment note [See iv)]	6,750	7,158	6,750	7,158
Margin loans payable [See (v)]	17,797	28,170	7,878	18,310
Short-term loan [See (vi)]	2,375	-	2,375	-
	96,529	103,122	86,610	93,262

(i) Structured notes represent short to medium-term debt obligations issued by the Group. The notes are secured by a basket of securities and typically have fixed quarterly coupon payments, with a bullet payment of principal due at maturity.

(ii) Equity-linked notes are medium-term debt instruments issued by the Group, which pay a return that is linked to the Group's financial performance. These instruments pay a fixed quarterly coupon, with an annual bonus interest payment that is linked to the return on equity of the Group.

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

(iv) The secured investment note issued in March 2015, with a tenure of 27 months ending June 6, 2017, is secured by the assignment of equity shares held by the Company in Access Financial Services Limited. Interest is paid quarterly at a fixed rate of 10.5% per annum.

(v) Margin loans payable represent short-term debt facilities provided by brokerage firms to the Group and used by the Group to:

- acquire securities on its own account. The facilities are collateralised by the securities held with the brokerage firms.
- fund facilities offered to its clients. The clients have agreed with the Group that the securities purchased may be re-pledged or otherwise offered by the Group as collateral for the margin facility extended to the Group by the brokerage firm [note 6(a)].

16. Notes payable (continued)

(vi) This is a short term revolving facility granted by First Global Bank Limited on September 28, 2015. The facility is set to revolve at least once annually. Each draw down under the revolving line is to be fully repaid within twelve (12) months. Interest rates were initially set to 8.90060% per annum and subsequently re-priced thereafter at six months Weighted Average Treasury Bill Yield plus a margin of 255 basis point.

17. Preference shares

		Group and Company	
	J$'000	2016 $'000	2015 $'000
Managers' preference shares [See (a)]		1	1
8% Cumulative redeemable preference shares [See (b) below and note 19]			
At beginning of year	976,374	8,473	8,910
Effect of exchange rate fluctuation	-	(496)	(437)
At end of year	976,374	7,977	8,473
		7,978	8,474

(a) The terms and conditions of the manager's preference shares include the following:

(i) the manager's preference shares shall rank *pari passu* as between and among themselves;

(ii) each manager's preference share is entitled to a cumulative annual preference dividend in the sum which is equal to:

(1) 25% of the profits and gains of the Company in each financial year in excess of the Annual Earnings Hurdle (computed in accordance with the formula set out in the terms and conditions of issue) for such financial year, divided by

(2) the number of manager's preference shares in issue when the said cumulative annual preference dividend is paid; and for this purpose the Annual Earnings Hurdle shall be the amount which results when the hurdle rate is applied to the average equity of the Company during such financial year.

(iii) Apart from the right to the cumulative annual preference dividend, the manager's preference shares have no economic rights or entitlements save for the right on a winding up to the repayment of the capital paid thereon on a *pari passu* basis with the capital paid on the ordinary shares.

(iv) Each manager's preference share has votes attaching to it that are a multiple of the votes attaching to each ordinary share on all resolutions and decisions at a general meeting, such that the preference share votes will be at least equal to the votes of the ordinary shares, except on any resolution intended to vary the formula for computing the dividend payable to the preference shareholders, in which case each manager's preference share is entitled to one vote.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

17. Preference shares (continued)

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

(i) The right to a preferential dividend at the agreed annual rate, payable out of the profits of the Company, calculated on the capital paid up on the preference stock units, and any dividend not paid shall accumulate until paid;

(ii) The right to preferential repayment of paid-up preference capital, and any arrears of preference dividend upon the winding up or the Company or other return of capital;

(iii) No right to vote at any general meeting of the Company except where the dividend on the preference stock units are past due more than twelve months, and/or the notice for the redemption of preference stock units is past due and/or a resolution to wind up the company has been passed;

(iv) The Company may redeem all or any of the preference stock units on or before December 23, 2016 at J$5.00 each.

The dividend on both classes of preference shares is recorded as interest expense in the statement of profit or loss and other comprehensive income.

18. Deferred tax assets/(liabilities)

	Group			
	2016			
	Balance at March 31, 2015	Recognised in profit and loss	Recognised in equity	Balance at March 31, 2016
Property, plant and equipment	(26)	13	-	(13)
Other receivables	(770)	76	-	(694)
Unrealised foreign exchange gains	242	(228)	-	14
Investment property	(5)	-	-	(5)
Available-for-sale investment securities	288	316	227	831
Other liabilities	206	(9)	-	197
Tax losses	211	(187)	-	24
Exchange difference on translation	50	(14)	-	36
Other	36	14	-	50
	232	(19)	227	440

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

18. Deferred tax assets/(liabilities) (continued)

	2015				
	Balance at March 31, 2014	Recognised in profit and loss	Recognised in equity	Acquired business combination	Balance at March 31, 2015
Property, plant and equipment	(31)	(30)	-	35	(26)
Other receivables	(117)	29	-	(682)	(770)
Unrealised foreign exchange gains	(336)	578	-	-	242
Investment property	-	259	-	(264)	(5)
Available-for-sale investment securities	226	-	62	-	288
Other liabilities	45	(67)	-	228	206
Tax losses	-	(306)	-	517	211
Exchange difference on translation	28	-	22	-	50
Other	(3)	34	-	5	36
	(188)	497	84	(161)	232

19. Share capital

	2016	2015
Authorised:		
2,999,990,000 Ordinary shares, par value US$0.01 each	29,999,900	29,999,900
10,000 Manager's Preference Shares, par value US$0.01 each	100	100
300,000,000 8% Cumulative Redeemable Preference Shares, par value US$0.01 each	3,000,000	3,000,000
	33,000,000	33,000,000

	2016 Units	2015 Units	2016 $'000	2015 $'000
Issued and fully paid:				
Ordinary shares	551,595,777	368,689,855	69,248	39,980
Manager's Preference Shares	10,000	10,000	1	1
8% Cumulative Redeemable Preference Shares	200,000,000	200,000,000	7,977	8,473
			77,226	48,454
Less: Preference shares classified as liability (see note 17)			(7,978)	(8,474)
			69,248	39,980

(a) During the year, the Company issued an additional 182,905,922 (2015:73,737,971 ordinary shares at $0.16 (2015: 0.14) per share for the aggregate increase in ordinary share capital of $29,268,000 (2015: $10,323,000).

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

(c) The rights and entitlements of the holders of the preference shares are set out in note 17.

20. Fair value reserve

This represents the cumulative net unrealised gains/(losses) in fair value, net of taxation, on the revaluation of available-for-sale investment securities, and remains until the securities are disposed of or impaired.

21. Foreign exchange translation reserve

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016

22. 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.

	2016				2015			
	Access Financial Services $'000	Proven REIT Limited $'000	Intra-group adjustments $'000	Total $'000	Access Financial Services $'000	Proven REIT Limited $'000	Intra-group adjustments $'000	Total $'000
NCI percentage	50.28%	15%			50.73%	15%		
Total assets	21,010	2,006			15,268	2,860		
Total liabilities	(11,014)	(1,628)			(7,409)	(2,432)		
Net assets/(liabilities)	9,996	378			7,859	428		
Carrying amount of NCI	5,026	57	7,579	12,662	3,986	64	7,406	11,456
Revenue	9,263	1			2,198	-		
Profit/(loss) for the year	3,878	(71)			1,234	(123)		
Loss allocated to NCI	1,950	(11)		1,939	626	(18)		(608)
Cash flows from operating activities	3,046	(1,273)			637	131		
Cash flows from investment activities	(135)	1,124			(36)	(1,070)		
Cash flows from financing activities	(1,063)	162			(460)	1,119		
Net increase/(decrease) in cash and cash equivalents	1,848	13			(141)	180		

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

23. Net interest income

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Interest income:				
BOJ certificates of deposit	50	30	-	-
GOJ benchmark investment notes	2,967	4,041	56	118
Regional and corporate bonds	4,457	3,335	4,457	2,906
Global bonds	5,732	3,861	2,281	2,651
Resale agreements	2,346	3,168	8	45
Corporate note	810	888	657	888
Other loans receivable	9,359	2,403	-	-
Other	5	906	5	3
	25,726	18,632	7,464	6,611
Interest expense:				
Interest on margins loans	439	530	439	530
Repurchase agreements	6,153	5,896	444	426
Notes payable	4,606	2,864	3,694	2,864
Preference shares	671	709	671	709
Other	131	983	131	31
	12,000	10,982	5,379	4,560
Net interest income	13,726	7,650	2,085	2,051

24. Net fair value adjustments and realised gains

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Fair value adjustment for investment property	1,411	-	1,411	-
Fair value (losses)/gains on fixed income securities	(2,414)	(411)	(3,318)	1,001
Fair value (losses)/gains on equity securities	(32)	806	85	801
Losses on currency trading	-	(8)	-	(8)
	(1,035)	387	(1,822)	1,794

25. Staff costs

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Salaries, wages and related costs	3,325	2,329	-	104
Bonus and ex-gratia payments	243	68	-	-
Redundancy costs	-	42	-	-
Statutory payroll contributions	183	119	-	-
Pension costs - defined contribution plan	100	54	-	-
Staff welfare	69	147	1	-
Other	586	93	50	-
	4,506	2,852	51	104

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

25. Staff costs (continued)

Included in staff costs are the following directors' emoluments:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Fees	121	140	50	50
Management remuneration	260	274	-	-

26. Other operating expenses

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Audit fees	131	130	83	43
Bad debt recovery, net	-	(151)	-	-
Irrecoverable GCT	158	320	72	197
Insurance	82	51	6	9
Legal and other professional fees	683	557	-	220
Licenses and permits	476	244	-	-
Marketing and advertising	653	349	208	119
Miscellaneous	399	357	132	46
Management fees [note 28(f)]	1,277	854	1,277	854
Irrecoverable income tax withheld	37	154	37	154
Office rent	515	232	-	-
Commission expenses and fees	152	59	317	857
Printing and stationery	145	133	-	-
Repairs and maintenance	379	403	-	-
Subscriptions and donations	15	18	-	-
Travelling	118	110	28	48
Utilities	395	181	-	-
Other operating expenses	1,354	823	60	-
	6,969	4,824	2,220	2,547

27. Taxation

(a) The tax charge for income tax is computed at 1%, 25% and 33⅓% (depending on the jurisdiction) of profit for the year as adjusted for tax purposes, and is made up as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
(i) Current tax charge:				
Charge on current period's profits:				
Income tax at 1%	(57)	31	(57)	31
Income tax at 33⅓%	593	272	-	-
Income tax at 25%	349	190	-	-
	885	493	(57)	31
Prior period over accruals	(460)	-	-	-
	425	493	(57)	31

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

27. Taxation (continued)

(a) The tax charge for income tax is computed at 1%, 25% and 33⅓% (depending on the jurisdiction) of profit for the year as adjusted for tax purposes, and is made up as follows (continued):

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
(ii) Deferred tax credit: Origination and reversal of temporary differences	(19)	(497)	-	-
(iii) Prior year over provision	(5)	(56)	-	(42)
Total income tax charge/(credit)	439	(60)	(57)	(11)

(b) Reconciliation of effective tax:

The tax rate for two of the subsidiaries is 25% and 33⅓% of profit before income tax adjusted for tax purposes, while the tax rate for the Company is 1% of profits. The actual charge for the year is as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Profit before taxation	4,722	5,913	1,867	287
Computed "expected" tax expense at 1%	19	3	19	3
Computed "expected" tax expense at 25%	1,066	356	-	-
Computed "expected" tax expense at 33⅓%	720	266	-	-
	1,805	625	19	3
Difference between profits for financial statements and tax reporting purposes on -				
Depreciation charge and capital allowances	52	(2)	-	-
Income exempt from income tax	(597)	(90)	-	-
Employer tax credit	(256)	-	-	-
Disallowed expenses	216	58	-	-
Tax losses	(139)	(248)	-	-
Tax remission in subsidiary	(672)	(190)	-	-
Prior period adjustment	(460)	-	-	-
Other	490	(213)	(76)	(14)
Actual tax expense	439	(60)	(57)	(11)

28. Related party transactions

(a) Definition of related party

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

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

(1) has control or joint control over the Group;
(2) has significant influence over the Group; or
(3) is a member of the key management personnel of the Group or of a parent of the Group.

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

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(3) Both entities are joint ventures of the same third party.
(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
(6) The entity is controlled, or jointly controlled by a person identified in (i).
(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(8) The entity, or any member of a group of companies of which it is a part, provides key management personnel services to the Group.

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

(b) Identity of related parties

The Group has related party relationships with its subsidiaries and associates and with its directors and executive officers and those of its subsidiaries and associates.

(c) The Group has engaged a related party, Proven Management Limited, to provide investment management services in relation to financial instruments held in a number of funds, and the business and operations of the Group, for a fee. The fee is charged at 2% of the Group's Average Net Asset Value in the financial year [see note 28(f)].

	Group and Company	
	2016	2015
	$'000	$'000
Investment management fees paid for the year	1,093	760
Fees accrued at end of year	184	94
	1,277	854

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

28. Related party transactions (continued)

(d) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Such persons comprise the directors and executive officers. Key management compensation for the year, included in staff costs (note 25), is as follows:

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Directors' fees	121	140	50	50
Management remuneration	260	274	-	-

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

	2016		2015	
	Subsidiary	Directors and key management	Subsidiary	Directors and key management
	$'000	$'000	$'000	$'000
Resale agreements	-	73	-	161
Other receivables	-	368	-	289
Repurchase agreements	-	117	151	-
Other liabilities	-	-	2	-

Other amounts with related parties are disclosed in note 15.

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

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Proven Wealth Limited				
Interest income	-	-	61	46
Proven Management Limited				
Dividends paid	331	1,266	331	1,266
Dividends accrued at end of year	-	190	-	190
	331	1,456	331	1,456
Management fees	1,277	854	1,277	854

29. Earnings per stock unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent, of $2,344,000 (2015: $5,365,000), by the weighted average number of ordinary stock units in issue during the year, numbering 536,353,617 (2015: 356,400,194).

30. Distribution to equity holders

	Group and Company	
	2016	2015
	$'000	$'000
Distribution to ordinary shareholders at		
per share - parent	3,364	3,429
- non-controlling interest	616	221
	3,980	3,650

31. Lease commitments

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

	Group and Company	
	2016	2015
	$'000	$'000
Within one year	399	354
Subsequent years	512	805
	911	1,159

32. Financial instruments - risk management

(a) Introduction and overview:

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

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

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

32. Financial instruments - risk management (continued)

(a) Introduction and overview (continued):

(i) Investment Management Committee
(ii) Audit Committee

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

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

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

(b) Credit risk:

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

(i) Maximum exposure to credit risk:

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

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

- Cash and cash equivalents

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

- Resale agreements

  Collateral is held for all resale agreements in amounts that secure the collection of both principal and interest to be earned thereon.

- Investment securities

  In relation to its holding of investment securities, the Group manages the level of risk it undertakes by investing substantially in sovereign debts and companies with acceptable credit ratings. Management does not expect any counterparty to fail to meet its obligations.

32. Financial instruments - risk management (continued)

(b) Credit risk (continued):

(i) Maximum exposure to credit risk (continued):

- Accounts receivable

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

- Loans receivable

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

(ii) Concentration of credit risk:

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

(iii) Impairment:

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

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

(c) Liquidity risk:

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

(i) Liquidity risk management:

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

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(c) Liquidity risk:

(i) Liquidity risk management (continued):

(iii) Optimising cash returns on investment;

(iv) Monitoring liquidity ratios against internal and regulatory requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities; and

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

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

	Group							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
	2016							
Liabilities								
Repurchase agreements	79,017	58,814	18,781	3,980	-	-	160,592	159,830
Notes payable	125	17,351	67,793	13,347	9,471	11,004	119,091	96,529
Preference shares	-	157	8,170	274	-	-	8,601	7,978
Other liabilities	4,765	637	633	-	-	5,505	11,540	11,540
Total financial liabilities	83,907	76,959	95,377	17,601	9,471	16,509	297,324	273,502

	2015							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	133,326	40,728	11,213	13	-	-	185,280	183,811
Notes paybles	1,317	7,755	50,871	31,011	-	18,714	109,668	103,122
Owed to related parties	-	-	-	-	-	232	232	232
Preference shares	-	174	349	10,049	-	-	10,572	8,474
Other liabilities	8,841	477	822	-	-	3,978	14,118	14,118
Total financial liabilities	143,484	49,134	63,255	41,073	-	22,924	319,870	309,757

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(i) Liquidity risk management (continued):

	Company							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
					2016			
Liabilities								
Repurchase agreements	2,013	16,912	4,990	-	-	-	23,915	23,810
Owed to subsidiaries	-	-	-	-	-	215	215	215
Notes payable	18	21,959	55,919	12,062	-	-	89,958	86,610
Preference shares	-	157	8,559	-	-	-	8,716	7,978
Other liabilities	-	-	-	-	-	4,342	4,342	4,342
Total financial liabilities	2,031	39,028	69,468	12,062	-	4,557	127,146	120,580
					2015			
Liabilities								
Repurchase agreements	2,006	14,860	4,712	-	-	-	21,578	21,538
Owed to related party	-	-	-	-	-	232	232	232
Notes payable	-	3,574	45,602	28,049	-	17,595	94,820	93,262
Preference shares	-	174	349	9,759	-	-	10,282	8,474
Other liabilities	-	-	-	-	-	3,103	3,103	3,103
Total financial liabilities	2,006	18,608	50,663	37,808	-	20,930	130,015	126,609

(d) Market risk:

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

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

(i) Foreign currency risk:

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Group is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the functional currency. The main currencies giving rise to this risk are the Jamaica dollar (JMD), and Great Britain Pound (GBP). The Group manages this risk by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept to the targeted levels by buying or selling currencies at spot rates when necessary to address imbalances.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

At the reporting date, exposure to foreign currency risk was as follows:

	Group			
	2016			
	JMD	GBP	CAD	Other
	$'000	£'000	$'000	$'000
Assets:				
Cash and cash equivalents	264,842	143	121	-
Resale agreements	25,206	-	-	-
Investment securities	6,218	-	-	-
Loans receivable	2,264,035	39	5	-
Other	40,268	69	-	-
	2,600,569	251	126	-
Liabilities				
Repurchase agreements	7,049	-	-	-
Notes payable	2,816,481	-	-	-
Preference shares	1,000,000	-	-	-
Other	223,421	14	2	7
	4,046,951	14	2	7
Net position	(1,446,382)	237	124	(7)

	2015		
	JMD	GBP	Other
	$'000	£'000	$'000
Assets:			
Cash and cash equivalents	168,083	55	719
Resale agreements	8,970	102	-
Investment securities	181,609	3,000	-
Loans receivable	1,925,249	-	-
Due from related party	-	-	5
Other	37,172	65	-
	2,321,083	3,222	724
Liabilities			
Repurchase agreements	8,829	197	-
Owed to related parties	12,418	-	-
Notes payable	2,514,457	-	-
Preference shares	983,645	-	-
Other	227,929	-	-
	3,747,278	197	-
Net position	(1,426,195)	3,025	724

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

	Company			
	2016		2015	
	JMD	GBP	JMD	GBP
	$'000	£'000	$'000	£'000
Assets:				
Cash and cash equivalents	6,982	-	29,332	-
Resale agreements	20,000	-	-	-
Loans receivable	462,869	-	430,926	-
Investment securities	1,092	-	171,093	3,000
Due from related party	15,341	-	145,614	-
Other	3,129	-	2,496	-
	509,413	-	779,461	3,000
Liabilities				
Owed to related parties	21,330	-	12,482	-
Notes payable	1,970,578	-	1,845,250	-
Preference shares	1,000,000	-	983,645	-
Repurchase agreement	-	-	-	102
Other	-	-	2,245	-
	2,991,908	-	2,843,622	102
Net position	(2,482,495)	-	(2,064,161)	2,898

Sensitivity to exchange rate movements:

The following indicates the sensitivity to changes in foreign currency exchange rates of the Group's profit and shareholders' equity. It is computed by applying a reasonably possible change in exchange rates to foreign currency denominated monetary assets and liabilities as assessed by management at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

		2016			
		Group		Company	
	% change in currency rate	Effect on profit	Effect on comprehensive income	Effect on profit	Effect on comprehensive income
		$'000	$'000	$'000	$'000
Currency:					
JMD	1% Revaluation	(120)	-	(206)	-
GBP	1% Revaluation	2	-	-	-
CAD	1% Revaluation	1	-	-	-
Other	1% Revaluation	1	-	-	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

Sensitivity to exchange rate movements (continued):

		2015			
		Group		Company	
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000	Effect on profit $'000	Effect on comprehensive income $'000
Currency:					
JMD	1% Revaluation	(126)	-	(182)	-
GBP	1% Revaluation	(1)	-	20	-

		2016			
		Group		Company	
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000	Effect on profit $'000	Effect on comprehensive income $'000
Currency:					
JMD	6% Devaluation	673	-	1,155	-
GBP	6% Devaluation	(10)	-	-	-

		2015			
		Group		Company	
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000	Effect on profit $'000	Effect on comprehensive income $'000
Currency:					
JMD	10% Devaluation	1,130	-	1,637	-
GBP	10% Devaluation	12	-	(256)	-
Other	10% Devaluation	(1)	-	-	-

(ii) Interest rate risk:

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

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

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

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

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

	2016						
	Group						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	13,721	13,721
Resale agreements	4,571	33,742	454	-	-	-	38,767
Investment securities	1,000	-	-	90,717	114,359	26,082	232,158
Loans receivable	107	4,627	1,123	1,628	211	17,297	24,993
Other assets	-	-	-	-	-	10,602	10,602
Owed by related parties	-	-	-	-	-	338	338
Total assets	5,678	38,369	1,577	92,345	114,570	68,040	320,579
Liabilities							
Repurchase agreements	79,007	58,311	18,620	3,892	-	-	159,830
Notes payable	-	21,755	48,090	11,443	-	15,241	96,529
Preference shares	-	-	7,977	-	-	1	7,978
Other liabilities	-	-	-	-	-	11,540	11,540
Total liabilities	79,007	80,066	74,687	15,335	-	26,782	275,877
Interest rate sensitivity gap	(73,329)	(41,697)	(73,110)	77,010	114,570	41,258	44,702
Cumulative interest rate sensitivity gap	(73,329)	(115,026)	(188,136)	(111,126)	3,444	44,702	

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

	Group						
	2015						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and cash equivalents	-	-	-	-	-	10,908	10,908
Resale agreements	4,695	73,234	77	-	-	-	78,006
Investment securities	6,000	131	12,564	62,315	106,914	20,455	208,379
Loans receivable	12,278	2,259	7,758	3,250	-	213	25,758
Other	-	-	-	-	-	15,678	15,678
Total assets	22,973	75,624	20,399	65,565	106,914	47,254	338,729
Liabilities							
Repurchase agreements	132,291	40,414	11,094	12	-	-	183,811
Owed to related parties	-	-	-	-	-	232	232
Notes payable	64	3,370	46,355	27,830	-	25,503	103,122
Preference shares	-	-	-	8,473	-	1	8,474
Other	-	-	-	-	-	14,118	14,118
Total liabilities	132,355	43,784	57,449	36,315	-	39,854	309,757
Interest rate sensitivity gap	(109,382)	31,840	(37,050)	29,250	106,914	7,400	28,972
Cumulative interest rate sensitivity gap	(109,382)	(77,542)	(114,592)	(85,342)	21,572	28,972	

	Company						
	2016						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and bank	-	-	-	-	-	1,625	1,625
Resale agreements	-	164	-	-	-	-	164
Investment securities	-	-	-	36,676	64,194	26,001	126,871
Loans receivable	-	3,944	1,359	1,628	211	-	7,142
Other assets	-	-	-	-	-	1,690	1,690
Owed from related parties	-	-	-	-	-	259	259
Total assets	-	4,108	1,359	38,304	64,405	29,575	137,751
Liabilities							
Repurchase agreements	2,010	16,845	4,955	-	-	-	23,810
Owed to related parties	-	-	-	-	-	215	215
Notes payable	-	21,755	53,412	11,443	-	-	86,610
Preference shares	-	-	7,977	-	-	1	7,978
Other liabilities	-	-	-	-	-	4,342	4,342
Total liabilities	2,010	38,600	66,344	11,443	-	4,558	122,955
Total interest rate sensitivity gap	(2,010)	(38,492)	(64,985)	26,861	64,405	25,017	14,796
Cumulative interest rate sensitivity gap	(2,010)	(38,002)	(101,487)	(74,626)	(10,221)	14,796	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(*Presented in United States dollars, except as otherwise stated)*

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

	Company						
	2015						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non interest sensitive $'000	Total $'000
Assets:							
Cash and bank	-	-	-	-	-	946	946
Investment securities	-	-	5,612	41,106	46,919	20,395	114,032
Loans receivable	-	-	2,500	7,005	-	-	9,505
Other assets	-	-	-	-	-	1,525	1,525
Owed from related party	-	-	-	-	-	1,188	1,188
Total assets	-	-	8,112	48,111	46,919	24,054	127,196
Liabilities							
Repurchase agreements	2,001	14,845	4,692	-	-	-	21,538
Owed to related parties	-	-	-	-	232	-	232
Preference shares	-	-	-	8,473	-	1	8,474
Other liabilities	-	-	-	-	-	3,103	3,103
Notes payable	-	3,370	45,132	27,165	-	17,595	93,262
Total liabilities	2,001	18,215	49,824	35,638	232	20,699	126,609
Total interest rate sensitivity gap	(2,001)	(18,215)	(41,712)	12,473	46,687	3,355	587
Cumulative interest rate sensitivity gap	(2,001)	(20,216)	(61,928)	(49,455)	(2,768)	587	

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

	Group				Company			
	2016				2016			
	JMD %	USD %	GBP %	EUR %	JMD %	USD %	GBP %	EUR %
Assets								
Resale agreements	2.37	2.00	-	-	2.00	-	-	-
Investment securities	6.22	6.72	-	-	-	6.00	-	-
Loans receivable	8.70	3.46	-	-	8.70	3.5	-	-
Liabilities								
Repurchase agreements	9.00	1.79	-	-	-	1.86	-	-
Notes payable	4.52	3.58	-	-	6.21	3.44	-	-
Preference shares	8.00	-	-	-	8.00	-	-	-

	Group				Company			
	2015				2015			
	JMD %	USD %	GBP %	EUR %	J$ %	USD %	GBP %	EUR %
Assets								
Resale agreements	4.90	3.13	2.25	-	-	-	-	-
Investment securities	7.04	6.71	13.50	-	7.01	6.45	13.50	-
Loans receivable	7.00	2.34	-	-	7.00	3.00	-	-
Liabilities								
Repurchase agreements	5.96	1.87	13.14	-	-	2.00	2.25	-
Notes payable	4.93	3.44	-	-	4.52	3.58	-	-
Preference shares	8.00	-	-	-	8.00	-	-	-

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

Sensitivity to interest rate movements

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

	Group	
	2016	2015
J$ interest rates	Increase by 100 bps Decrease by 100 bps	Increase by 250 bps Decrease by 100 bps
US$ interest rates	Increase by 100 bps Decrease by 50 bps	Increase by 200 bps Decrease by 50 bps

	2016		2015	
	Effect on profit $'000	Effect on equity $'000	Effect on profit $'000	Effect on equity $'000
Direction of change in basis points:				
Increase in interest rates	(155)	(2,420)	(361)	(5,604)
Decrease in interest rates	155	11,944	70	1,174

	Company	
	2016	2015
US$ interest rates	Increase by 100 bps Decrease by 50 bps	Increase by 200 bps Decrease by 50 bps

	2016		2015	
	Effect on profit $'000	Effect on equity $'000	Effect on profit $'000	Effect on equity $'000
Direction of change in basis points:				
Increase in interest rates	-	(5,571)	-	(5,551)
Decrease in interest rates	-	3,022	-	1,164

(iii) Price risk:

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

The Group's exposure to price risk is represented by the total carrying value of equity investments on the statement of financial position of $1,897,000 (2015: $368,000) for the Group and $1,815,000 (2015: $308,000) for the Company.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(*Presented in United States dollars, except as otherwise stated)*

32. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

Sensitivity to equity price movements

A 10% increase in stock prices at March 31, 2016 would have increased other comprehensive income by $189,700 (2015: $36,800) for the Group and $181,500 (2015: $30,800) for the Company; an equal change in the opposite direction would have decreased profit by an equal amount.

(e) Capital management:

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

(i) To comply with the capital requirements set by the Financial Services Commission ("the Commission");

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

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

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

The Commission requires each securities dealer to:

(i) Hold the level of the regulatory capital at no less than 50% of Tier 1 Capital; and

(ii) Maintain a ratio of total regulatory capital to the risk-weighted assets at or above 10%.

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

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

(ii) Tier 2 capital: redeemable cumulative preference shares.

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

32. Financial instruments - risk management (continued)

(e) Capital management (continued):

The table below summarises the composition of regulatory capital and the ratios of the Company's subsidiaries that are regulated by the Commission. These ratios were in compliance with the requirements of the Commission throughout the year under review:

	Proven Wealth Ltd		PWL Transition Ltd	
	2016	2015	2016	2015
	$'000	$'000		
Tier 1 capital:				
Ordinary shares	779	779	8,396	8,396
Retained earnings and reserves	17,727	18,729	(5,383)	(6,050)
Total qualifying tier 1 capital	18,506	19,508	3,013	2,346
Tier 2 capital:				
Redeemable preference shares, being total qualifying tier 2 capital	390	390	-	-
Total regulatory capital	18,896	19,898	3,013	2,346
Total risk-weighted assets	132,127	112,562	-	-

The Commission requires the subsidiaries to maintain certain specific ratios, as follows:

	Proven Wealth Ltd		PWL Transition Ltd	
	2016	2015	2016	2015
(i) Tier 1 capital to total regulatory capital:				
Minimum required	50.00%	50.00%	50.00%	50.00%
Actual	97.94%	99.00%	100.00%	100.00%
(ii) Regulatory capital to total assets:				
Minimum required	6.00%	6.00%	6.00%	6.00%
Actual	11.13%	10.00%	94.93%	74.99%
(iii) Regulatory capital to risk-weighted assets:				
Minimum required	10.00%	10.00%	10.00%	10.00%
Actual	14.30%	17.67%	110.65%	74.99%

33. Financial instruments – fair values

(a) Definition and measurement of fair values

The Group's accounting policies on measurement and disclosure require the measurement of fair values for financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, where a quoted market price is available, fair value is computed by the Group using the quoted bid price at the reporting date, without any deduction for transaction costs or other adjustments. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the Group uses observable data as far as possible.

33. Financial instruments – fair values (continued)

(a) Definition and measurement of fair values (continued)

Fair values are categorised into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

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

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

Level 3 refers to financial assets and financial liabilities that are measured using non-market observable inputs. This means that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(b) Valuation techniques for investment securities classified as Level 2

Type	**Valuation techniques**
Foreign currency forward contracts	• Obtain last traded price of the forward on the date of valuation, provided by the recognised broker/dealer through which the forward contract is obtained. • Apply price to estimate fair value.
Government of Jamaica securities:	
US$ denominated Securities	• Obtain bid price provided by a recognised independent source, namely, Bloomberg. • Apply price to estimate fair value.
J$ Denominated Securities	• Obtain bid price provided by a recognised source (which uses Jamaica-market source indicative bids). • Apply price to estimate fair value.
Global bonds	• Obtained bid price provided by recognised independent pricing source, namely, Bloomberg. • Apply price to estimate fair value.
Mutual funds	• Obtain prices quoted by unit trust managers. • Apply price to estimate fair value.

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

33. Financial instruments – fair values (continued)

(b) Valuation techniques for investment securities classified as Level 2 (continued)

Type	Valuation techniques
Corporate bonds	• Obtained bid price provided by recognised independent pricing source, namely, Bloomberg. • Apply price to estimate fair value.
Credit-linked notes	• Obtain price based on the quoted price of the underlying credit default swap which is derived from Bloomberg on the valuation date, plus the valuation of the underlying note. • Apply price to estimate fair value.

(c) Accounting classifications and fair values:

The following table shows the classification of financial assets and financial liabilities and their carrying amounts.

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. Where the carrying amounts of financial assets and financial liabilities are not measured at fair value, and those carrying amounts are a reasonable approximation of fair value, fair value information (including amounts, and levels in the fair value hierarchy) is not disclosed.

		Group					
		2016					
		Carrying amount			Fair value		
	Notes	Available for sale $'000	Fair value through profit or loss $'000	Total $'000	Level 1 $'000	Level 2 $'000	Total $'000
0Financial assets measured at fair value							
Quoted equities	5	1,832	65	1,897	1,897	-	1,897
Foreign currency forward	5		70	70	-	70	70
Government of Jamaica securities	5	75,318	-	75,318	-	75,318	75,318
Mutual funds		24,116	-	24,116	-	24,116	24,116
Global bonds	5	49,388	-	49,388	-	49,388	49,388
Commercial papers	5	3,968	-	3,968	-	3,968	3,968
Corporate bonds	5	58,733	-	58,733	-	58,733	58,733
Credit link notes	5	12,120	2,000	14,120	-	14,120	14,120
Treasury bills		1,000	-	1,000	-	1,000	1,000
		226,475	2,135	228,610	1,896	226,713	228,610

PROVEN INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
March 31, 2016
(Presented in United States dollars, except as otherwise stated)

33. Financial instruments – fair values (continued)

(c) Accounting classifications and fair values (continued):

Group

2015

	Notes	Carrying amount: Available for sale $'000	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Total
Financial assets measured at fair value:							
Quoted equities	5	326	42	368	368	-	368
Foreign currency forward	5	-	723	723	-	723	723
Government of Jamaica securities	5	50,596	-	50,596	-	50,596	50,596
Mutual funds		19,603	-	19,603	-	19,603	19,603
Global bonds	5	61,253	-	61,253	-	61,253	61,253
Commercial paper	5	1,904	-	1,904	-	1,904	1,904
Corporate bonds	5	46,513	-	46,513	-	46,513	46,513
Credit link notes	5	-	17,483	17,483	-	17,483	17,483
Treasury bills		6,000	-	6,000	-	6,000	6,000
		186,195	18,248	204,443	368	204,075	204,443

Company

2016

	Notes	Carrying amount: Available for sale $'000	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Total $'000
Financial assets measured at fair value:							
Quoted equities	5	1,815	-	1,815	1,815	-	1,815
Government of Jamaica securities	5	-	-	-	-	-	-
Foreign currency forward	5	-	70	70	-	70	70
Global bonds	5	29,615	-	29,615	-	29,615	29,615
Mutual funds	5	24,116	-	24,116	-	24,116	24,116
Corporate bonds	5	57,135	-	57,135	-	57,135	57,135
Credit link notes	5	12,120	2,000	14,120	-	14,120	14,120
		124,801	2,070	126,871	1,815	125,056	126,871

2015

	Notes	Carrying amount: Available for sale $'000	Carrying amount: Fair value through profit or loss $'000	Carrying amount: Total $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Total $'000
Financial assets measured at fair value							
Quoted equities	5	308	-	308	308	-	308
Government of Jamaica securities	5	1,484	-	1,484	-	1,484	1,484
Foreign currency forward	5	-	723	723	-	723	723
Global bonds	5	29,243	-	29,243	-	29,243	29,243
Mutual funds	5	19,603	-	19,603	-	19,603	19,603
Corporate bonds	5	45,188	-	45,188	-	45,188	45,188
Credit link notes	5	-	17,483	17,483	-	17,483	17,483
	5	95,826	18,206	114,032	308	113,724	114,03