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**SALADA FOODS JAMAICA LIMITED**  
**AUDITED FINANCIAL REPORT TO STOCKHOLDERS**  
**FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2016**

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The Directors of Salada Foods Jamaica Limited now release the audited financial results of the Group for the financial year ended September 30, 2016.

Net profit for the year was \$68.9 million, a significant improvement over the \$31.6 million for 2015. This performance can be attributed to growth in sales and an improvement in margins, which jumped to 33% from 25% year over year, due to more favourable prices of coffee beans and better purchasing practices.

Sales for the full year were \$761 million, \$101 million higher than the previous year (\$660 million). Top line growth was driven by increased domestic sales arising from a sustained joint marketing initiatives with our distributor. Rebranding of our flagship brand Jamaica Mountain Peak instant coffee and launching the new Low Caff within the same product category were the key marketing initiatives undertaken during the year. Export sales were not as robust as prior year representing 17% of total sales down from 22.8% in 2015. This was impacted by underperformance in the New York market as former distributors sold their remaining inventory.

Administrative expenses increased to \$126.5 million up \$20 million over prior year due to separation costs, depreciation and post-retirement benefits.

Inventory as at September 30, 2016 stood at \$279 million, a reduction of \$62 million compared to 2015, which is in line with our continued focus on keeping inventory at optimal levels. New procurement procedures implemented, as well as a change in the arrangement of purchasing packaging material for contractors, were the key initiatives that positively impacted the inventory levels.

The group profitability continues to be impacted by the losses in the two subsidiary companies Mountain Peak Food Processors (MPFP) and Pimora Company Limited. A rights issue executed in the 3<sup>rd</sup> quarter provided MPFP with working capital of \$50 million which will be used to market and reposition its Roberts brand. Pimora, although awarded the Jamaica Observer's best new product for the year 2016 continues in its quest to create a presence in the market, locally and overseas, for what is a brand new product.



**Patrick Williams**

**Chairman**



**Kathryn Lewis**

**Director**

SALADA FOODS JAMAICA LIMITED

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016



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## INDEPENDENT AUDITORS' REPORT

To the Members of  
SALADA FOODS JAMAICA LIMITED

### **Report on the financial statements**

We have audited the separate financial statements of Salada Foods Jamaica Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 3 to 50, which comprise the group's and company's statement of financial position as at September 30, 2016, the group's and company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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INDEPENDENT AUDITORS' REPORT

To the Members of  
SALADA FOODS JAMAICA LIMITED

**Report on the Financial Statements (cont'd)**

***Auditors' Responsibility (cont'd)***

In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the group and company as at September 30, 2016, and of the group's and company's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

**Report on additional matters as required by the Jamaican Companies Act**

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

*KPMG*

Chartered Accountants  
Kingston, Jamaica

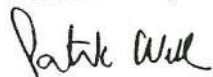
November 28, 2016

SALADA FOODS JAMAICA LIMITED

Statement of Financial Position  
September 30, 2016

	Notes	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	3	154,454	163,715	97,549	91,124
Intangible asset	4	8,171	10,400	-	-
Assets held-for-sale	3(e)	43,030	43,030	-	-
Investment in subsidiary companies	5(a)	-	-	111,476	70,981
Employee benefit asset	6(a)(i)	24,662	16,389	24,662	16,389
Investment	8(a)	49,071	-	49,071	-
Deferred tax asset	9	40,331	38,777	8,883	8,968
Due from subsidiary	5(b)	-	-	<u>155,387</u>	<u>147,073</u>
		<u>319,719</u>	<u>272,311</u>	<u>447,028</u>	<u>334,535</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	7	126,469	112,486	84,542	110,501
Investment	8(b)	67,863	15,000	67,863	15,000
Accounts receivable	10	147,201	90,343	133,171	81,070
Inventories	11	279,102	340,962	269,869	327,252
Biological assets	12	2,050	2,017	2,050	2,017
Due from subsidiary	5(c)	-	-	39,846	35,000
Tax recoverable		34	2,361	-	2,237
		<u>622,719</u>	<u>563,169</u>	<u>597,341</u>	<u>573,077</u>
<b>TOTAL ASSETS</b>		<u>942,438</u>	<u>835,480</u>	<u>1,044,369</u>	<u>907,612</u>
<b>STOCKHOLDERS' EQUITY</b>					
Share capital	13	73,216	73,216	73,216	73,216
Capital reserves	14	16,275	16,275	6,543	6,543
Retained earnings		686,716	651,581	806,869	737,951
		776,207	741,072	886,628	817,710
<b>NON-CONTROLLING INTERESTS</b>	15	3,054	( 2,124)	-	-
		<u>779,261</u>	<u>738,948</u>	<u>886,628</u>	<u>817,710</u>
<b>NON-CURRENT LIABILITY</b>					
Finance lease obligation	16	13,405	-	13,405	-
Employee benefit obligation	6(b)(i)	32,360	36,119	32,360	36,119
		<u>45,765</u>	<u>36,119</u>	<u>45,765</u>	<u>36,119</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable	17	102,787	60,413	97,351	53,783
Current portion of finance lease obligation	16	7,415	-	7,415	-
Taxation payable		7,210	-	7,210	-
		<u>117,412</u>	<u>60,413</u>	<u>111,976</u>	<u>53,783</u>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>		<u>942,438</u>	<u>835,480</u>	<u>1,044,369</u>	<u>907,612</u>

The financial statements on pages 3 to 50 were approved for issue by the Board of Directors on November 28, 2016 and signed on its behalf by:



Chairman

Patrick Williams



Director

Kathryn Lewis

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

SALADA FOODS JAMAICA LIMITEDGroup Statement of Profit or Loss  
Year ended September 30, 2016

	<u>Notes</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Sales	18	761,737	660,436
Cost of sales	20(a)	(510,087)	(493,584)
Gross profit		251,650	166,852
Other operating income		-	3,699
Selling and promotion expenses	20(b)	( 50,308)	( 49,500)
Administration expenses	20(c)	(126,526)	(106,823)
Operating profit before net finance income and taxation		<u>74,816</u>	<u>14,228</u>
Finance income	19	13,263	9,739
Finance costs	19	( 2,108)	( 840)
Net finance income	19	<u>11,155</u>	<u>8,899</u>
Profit before taxation	20	85,971	23,127
Taxation	21	( 17,071)	<u>8,525</u>
Profit for the year		<u>68,900</u>	<u>31,652</u>
Profit attributable to:			
Stockholders of the company		74,837	41,393
Non-controlling interests	15	( 5,937)	( 9,741)
		<u>68,900</u>	<u>31,652</u>
Earnings per share:			
Earnings per ordinary stock unit	23	<u>\$ 0.72</u>	<u>0.40</u>

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

SALADA FOODS JAMAICA LIMITED

Group Statement of Other Comprehensive Income  
 Year ended September 30, 2016

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	<u>Notes</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Profit for the year		<u>68,900</u>	<u>31,652</u>
Other comprehensive loss:			
Items that will never be reclassified to profit or loss			
Re-measurement gain on employee benefits assets and obligation	6(a)(vi), 6(b)(iii)	17,287	8,837
Tax on re-measurement gain	9	( 4,322)	( 2,209)
Other comprehensive profit/(loss) for the year, net of tax		<u>12,965</u>	<u>6,628</u>
Total comprehensive income for the year		<u>81,865</u>	<u>38,280</u>
Total comprehensive income attributable to:			
Stockholders of the company		87,802	48,021
Non-controlling interests	15	( 5,937)	( 9,741)
		<u>81,865</u>	<u>38,280</u>

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

SALADA FOODS JAMAICA LIMITEDGroup Statement of Changes in Stockholders' Equity  
Year ended September 30, 2016

	Attributable to stockholders of the company			Non- controlling interests (note 15) \$'000	Total \$'000
	Share capital (note 13) \$'000	Capital reserves (note 14) \$'000	Retained earnings \$'000		
	Balances at September 30, 2014	<u>73,216</u>	<u>16,275</u>		
Total comprehensive income for the year:					
Profit for the year	-	-	41,393	( 9,741)	31,652
Other comprehensive income for the year	-	-	<u>6,628</u>	-	<u>6,628</u>
	-	-	<u>48,021</u>	( 9,741)	<u>38,280</u>
Dividends (note 13)	-	-	( 41,552)	-	( 41,552)
Balances at September 30, 2015	<u>73,216</u>	<u>16,275</u>	<u>651,581</u>	( 2,124)	<u>738,948</u>
Total comprehensive income for the year:					
Profit for the year	-	-	74,837	( 5,937)	68,900
Other comprehensive income for the year	-	-	<u>12,965</u>	-	<u>12,965</u>
	-	-	<u>87,802</u>	( 5,937)	<u>81,865</u>
Dividends (note 13)	-	-	( 41,552)	-	( 41,552)
Changes in ownership interests:					
Acquisition of non-controlling interest	-	-	( 11,115)	<u>11,115</u>	-
Balances at September 30, 2016	<u>73,216</u>	<u>16,275</u>	<u>686,716</u>	<u>3,054</u>	<u>779,261</u>
Retained in the financial statements of:					
The company	73,216	6,543	806,869	-	886,628
The subsidiaries	-	9,732	(120,153)	-	(110,421)
Non controlling interests	-	-	-	<u>3,054</u>	<u>3,054</u>
Balances at September 30, 2016	<u>73,216</u>	<u>16,275</u>	<u>686,716</u>	<u>3,054</u>	<u>779,261</u>
Retained in the financial statements of:					
The company	73,216	6,543	737,951	-	817,710
The subsidiaries	-	9,732	( 86,370)	-	( 76,638)
Non controlling interests	-	-	-	( 2,124)	( 2,124)
Balances at September 30, 2015	<u>73,216</u>	<u>16,275</u>	<u>651,581</u>	( 2,124)	<u>738,948</u>

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



SALADA FOODS JAMAICA LIMITEDGroup Statement of Cash Flows  
Year ended September 30, 2016

	<u>Notes</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year		68,900	31,652
Adjustments for:			
Items not involving cash:			
Depreciation	3	38,595	39,628
Amortisation of intangible assets	4	2,229	743
Loss on disposal of property, plant and equipment		60	297
Income tax expense	21(a)	22,947	10,637
Deferred taxation	21(a)	( 5,876)	( 19,162)
Interest income	19	( 5,867)	( 6,079)
Interest expense		1,323	-
Employee benefits, net		<u>5,255</u>	<u>3,874</u>
		127,566	61,590
Changes in operating assets and liabilities:			
Inventories		61,860	(113,784)
Accounts receivable		( 56,783)	193,254
Accounts payable		<u>42,374</u>	<u>( 16,219)</u>
Cash provided by operations		175,017	124,841
Interest paid		( 1,323)	-
Taxation paid or deducted at source		<u>( 13,410)</u>	<u>( 35,040)</u>
Net cash provided by operating activities		<u>160,284</u>	<u>89,801</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		5,792	5,234
Purchase of property, plant and equipment	3	( 34,238)	( 20,874)
Intangible asset		-	-
Proceeds from sale		4,844	4,486
Investments		(101,934)	
Investment in biological assets, net		<u>( 33)</u>	<u>483</u>
Net cash used by investing activities		<u>(125,569)</u>	<u>( 10,671)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Finance lease obligation, being cash provided by financing activity		<u>20,820</u>	<u>-</u>
Net cash provided before dividends		<u>55,535</u>	<u>79,130</u>
Dividends paid	13	( 41,552)	( 41,552)
Net increase in cash and cash equivalents		13,983	37,578
Cash and cash equivalents at beginning of year		<u>112,486</u>	<u>74,908</u>
Cash and cash equivalents at end of year	7	<u>126,469</u>	<u>112,486</u>

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

SALADA FOODS JAMAICA LIMITEDCompany Statement of Profit and Loss and Other Comprehensive Income  
Year ended September 30, 2016

	<u>Notes</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
Sales	18	721,739	629,692
Cost of sales	20(a)	(464,330)	(422,885)
Gross profit		257,409	206,807
Other operating income		-	3,939
Selling and promotion expenses	20(b)	( 38,246)	( 40,661)
Administration expenses	20(c)	(114,069)	( 96,905)
Operating profit before net finance income and taxation		<u>105,094</u>	<u>73,180</u>
Finance income	19	12,990	9,675
Finance costs	19	( 1,992)	( 676)
Net finance income	19	<u>10,998</u>	<u>8,999</u>
Profit before taxation	20	116,092	82,179
Taxation	21	( 18,587)	( 5,957)
Profit for the year		<u>97,505</u>	<u>76,222</u>
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Re-measurement gain on employee benefits, assets and liabilities	6(a)(vi), 6(b)(iii)	17,287	8,837
Tax on re-measurement gain	9	( 4,322)	( 2,209)
Other comprehensive profit for the year, net of tax		<u>12,965</u>	<u>6,628</u>
Total comprehensive income for the year		<u>110,470</u>	<u>82,850</u>

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

SALADA FOODS JAMAICA LIMITEDCompany Statement of Changes in Stockholders' Equity  
Year ended September 30, 2016

	Share capital (note 13) \$'000	Capital reserves (note 14) \$'000	Retained earnings \$'000	Total \$'000
Balances at September 30, 2014	<u>73,216</u>	<u>6,543</u>	<u>696,653</u>	<u>776,412</u>
Total comprehensive income for the year:				
Profit for the year	-	-	76,222	76,222
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>6,628</u>	<u>6,628</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>82,850</u>	<u>82,850</u>
Dividend (note 13)	<u>-</u>	<u>-</u>	<u>( 41,552)</u>	<u>( 41,552)</u>
Balances at September 30, 2015	<u>73,216</u>	<u>6,543</u>	<u>737,951</u>	<u>817,710</u>
Total comprehensive income for the year:				
Profit for the year	-	-	97,505	97,505
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>12,965</u>	<u>12,965</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>110,470</u>	<u>110,470</u>
Dividend (note 13)	<u>-</u>	<u>-</u>	<u>( 41,552)</u>	<u>( 41,552)</u>
Balances at September 30, 2016	<u>73,216</u>	<u>6,543</u>	<u>806,869</u>	<u>886,628</u>

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

SALADA FOODS JAMAICA LIMITEDCompany Statement of Cash Flows  
Year ended September 30, 2016

	<u>Notes</u>	<u>2016</u> \$'000	<u>2015</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year		97,505	76,222
Adjustments for:			
Items not involving cash:			
Depreciation	3(b)	32,043	29,045
Income tax expense	21(a)	22,824	10,637
Deferred taxation	21(a)	( 4,237)	( 4,680)
Interest income	19	( 5,723)	( 6,075)
Interest expense		1,323	-
Employee benefits, net		<u>5,255</u>	<u>3,874</u>
		148,990	109,023
Changes in operating assets and liabilities:			
Inventories		57,383	(132,304)
Accounts receivable		( 52,117)	198,637
Due from subsidiary		( 13,160)	( 17,051)
Accounts payable		<u>43,568</u>	<u>(19,824)</u>
Cash provided by operations		184,664	138,481
Interest paid		( 1,323)	-
Taxation paid		<u>(13,377)</u>	<u>(34,916)</u>
Net cash provided by operating activities		<u>169,964</u>	<u>103,565</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		5,739	5,230
Investments		(101,934)	-
Investment in subsidiary companies		( 40,495)	( 9,500)
Purchase of property, plant and equipment	3(b)	( 38,468)	( 17,625)
Investment in biological assets		<u>( 33)</u>	<u>483</u>
Net cash used by investing activities		<u>(175,191)</u>	<u>(21,412)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Finance lease obligation, being cash provided by financing activity		<u>20,820</u>	<u>-</u>
Net cash (used)/provided before dividends		<u>15,593</u>	<u>82,153</u>
Dividends paid	13	<u>(41,552)</u>	<u>(41,552)</u>
Net (decrease)/increase in cash and cash equivalents		( 25,959)	40,601
Cash and cash equivalents at beginning of year		<u>110,501</u>	<u>69,900</u>
Cash and cash equivalents at end of year	7	<u>84,542</u>	<u>110,501</u>

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

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements  
Year ended September 30, 2016

1. Identification

Salada Foods Jamaica Limited (“the company”) is incorporated and domiciled in Jamaica. Its principal activity is the manufacture and sale of instant coffee and roasted and ground coffee beans and other consumer products. The company and its subsidiaries are collectively referred to as “the group” [also see note 2(c)]. The company’s registered office is located at 20 Bell Road, Kingston 11, Jamaica West Indies.

The company is listed on the Jamaica Stock Exchange.

A shareholder of the company controls 76% of the voting rights in the company.

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

(a) Statement of compliance:

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

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

There were no new, revised and amended standards and interpretations relevant to the group which came into effect during the current financial year.

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

At the date of approval of the financial statements, there were certain new, revised and amended standards and interpretations which were in issue but not yet effective. Those which are considered relevant to the group are as follows:

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through 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.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements  
Year ended September 30, 2016

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

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

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

- 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.

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.

- Improvements to IFRS 2012-2014 cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the company are as follows:
  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e. reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

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

**New standards, interpretations and amendments to existing standards not yet effective (cont'd)**

- Improvements to IFRS 2012-2014 cycle (cont'd)
  - 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.
  - Amendments to IAS 27, *Equity Method in Separate Financial Statements*, allow the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.
  - 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.
  - 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.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

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

**New standards, interpretations and amendments to existing standards not yet effective (cont'd)**

- IAS 1, *Presentation of Financial Statements*, has been amended effective for annual reporting periods beginning on or after January 1, 2016, 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;
  - 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.
- 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.
- 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.



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

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

**New standards, interpretations and amendments to existing standards not yet effective (cont'd)**

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies 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.
- 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*.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

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

**New standards, interpretations and amendments to existing standards not yet effective (cont'd)**

- 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.
- 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 16, *Property, Plant and Equipment*, and IAS 41, *Biological Assets*, which are effective for annual reporting periods beginning on or after January 1, 2016, require a bearer *plant*, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 instead of IAS 41. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41.

The group is assessing the impact, if any, of the amendments and new standards on its financial statements when the standards become effective.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars (\$), which is the functional currency of the group. All financial information presented in Jamaica dollars have been rounded to the nearest thousand, except when otherwise indicated.

The financial statements are prepared on the historical cost basis. The significant accounting policies stated in paragraphs (c) to (aa) below conform in all material respects with IFRS.

(c) Basis of consolidation:

- (i) A “subsidiary” is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The balance in the consolidated financial statements include the financial statements of the company and its subsidiaries:

<u>Entity</u>	<u>Holding</u>	<u>Main activity</u>	<u>Territory of incorporation</u>
Coffee Company of Jamaica Limited	100%	Dormant entity	Jamaica
Shirriff's (Jamaica) Limited	100%	Dormant entity	Jamaica
Mountain Peak Food Processors Limited	99.80%	Distribution and sale of juices and condiments	Jamaica
Pimora Company Limited	70%	Manufacture of flavoured briquettes	Jamaica

In August 2016, the company acquired a further 19.80% of Mountain Peak Food Processors Limited, making the company a 99.80% subsidiary.

(ii) 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 subsidiaries are eliminated to the extent of the group's interest in the subsidiary. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

(d) Use of estimates and judgements:

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

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

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

(i) Pension and other post-retirement benefits:

The amounts recognised in the statement of financial position and statement of comprehensive income for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations.

The expected return on plan assets considers the long-term returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the company's obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

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

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20162. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

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

## (iii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

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

## (e) Property, plant and equipment:

(i) Property, plant and equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

## (ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant and equipment to their estimated residual values at the end of their expected useful lives. No depreciation is charged on the freehold land. Annual depreciation rates are as follows:

Buildings	2.5 - 10%
Infrastructure	2.5 - 10%
Machinery and equipment	2.5 - 20%
Motor vehicles	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20162. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

## (f) Assets held-for-sale:

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale, rather than continuing use, are classified as held-for-sale. Assets held-for-sale are measured at the lower of their carrying amount and fair values less cost to sell.

Impairment losses on initial reclassification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

## (g) Investment in subsidiary companies:

Investments in subsidiary companies are measured at cost.

## (h) Employee benefits:

Employee benefits comprising pensions and other post-employment assets and obligations included in these financial statements have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the group's post-employment benefits asset as computed by the actuary. In carrying out their audit, the auditors make use of the work of the actuary and the actuary's report.

## (i) Pension arrangements:

The group operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The group's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. To the extent that the obligation is less than the fair value of plan assets, the asset recognised is restricted to the discounted value of future benefits available to the group.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The discount rate applied is based on the rate used to discount the defined benefit obligations. The calculation is performed by a qualified actuary, using the projected unit credit method.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (h) Employee benefits (cont'd):

## (ii) Other post-retirement benefits:

The post-retirement medical benefits for employees and pensioners are sponsored by the company that pays the full premiums on an Insured Health Plan.

## (iii) Other employee benefits:

Employee entitlements to leave are recognised when they accrue to employees. A provision is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the statement of financial position date.

## (i) Inventories:

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis. The cost of finished goods and work-in-progress comprises raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the first in first out principles and includes expenses incurred in acquiring and bringing them to their existing location and condition.

## (j) Biological assets:

Biological assets consists materially of ginger rhizomes cultivation expenses, which will be written off against the crop to which they relate. Ginger rhizomes are not sold but, when harvested are used in production, and no active market exists for these assets. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to the harvesting quantities and costs. Consequently, the balance is stated at cost less impairment losses, measured by reference to estimated crop proceeds less cultivation, reaping, harvesting and transportation expenses to the point of sale.

## (k) Accounts receivable:

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

## (l) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances, other short-term investments and other monetary instruments with maturities ranging between one and three months from the reporting date.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

(m) Long-term investments:

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses.

(n) Accounts payable:

Trade and other payables are measured at amortised cost.

(o) Provisions:

A provision is recognised in the statement of financial position when the company and its subsidiaries have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(p) Impairment:

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

(i) Calculation of recoverable amount:

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

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



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (p) Impairment (cont'd):

## (ii) Reversals of impairment:

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

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 assets 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.

## (q) Revenue:

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or material associated costs on the possible return of goods.

## (r) Net finance income:

Net finance income comprises interest payable on long-term loan, calculated using the effective interest rate method, interest income on funds invested, material bank charges and foreign exchange gains and losses recognised in profit or loss.

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

## (s) Income tax:

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

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

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

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (s) Income tax (cont'd):

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

## (t) Dividends:

Dividends are recognised in the period in which they are declared.

## (u) Determination of profit and loss:

Profit is determined as the difference between the revenues from the goods and services rendered and the costs and other charges incurred during the year. Profits on transactions are taken in the year in which they are realised. A transaction is realised at the moment of delivery. Losses are taken in the year in which they are realised or determinable.

## (v) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the dates that the values were determined.

## (w) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (w) Related parties (cont'd):

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled, or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

## (x) Intangible assets:

## Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific technical knowledge and understanding, is recognised in profit or loss as incurred.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (x) Intangible assets (cont'd):

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Amortization is calculated using the straight line method to allocate cost over five years.

## (y) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the company are considered as one operating segment.

## (z) Financial instruments:

## (i) General:

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

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and due from subsidiary. Financial liabilities comprise accounts payable and due to subsidiary.

## (ii) Recognition and derecognition:

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at transaction date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

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

## (aa) Finance leases:

## (i) Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether an arrangement is or contains a lease. If the company concludes for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised as the amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the company's incremental borrowing rate.

## (ii) Leased assets:

Assets held by the company under leases that transfer to the company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

The depreciation rates applied to leased assets are consistent with similar owned assets, except where there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, in which case the asset is depreciated at the shorter of the lease term and its useful life.

Assets held under other leases are classified as operating leases and are not recognised in the company's statement of financial position.

## (iii) Lease payments:

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20163. Property, plant and equipment

	<u>Freehold land</u> \$'000	<u>Freehold buildings and infrastructure</u> \$'000	<u>Machinery equipment &amp; vehicles</u> \$'000	<u>Total</u> \$'000
(a) The Group:				
At cost or deemed cost:				
September 30, 2014	14,500	95,480	295,805	405,785
Additions	-	-	20,874	20,874
Transferred to assets held-for-sale [note 3(d)]	( 4,500)	(43,035)	-	( 47,535)
Disposals	<u>-</u>	<u>-</u>	<u>( 5,594)</u>	<u>( 5,594)</u>
September 30, 2015	10,000	52,445	311,085	373,530
Additions	-	-	34,238	34,238
Disposals	<u>-</u>	<u>-</u>	<u>( 7,847)</u>	<u>( 7,847)</u>
September 30, 2016	<u>10,000</u>	<u>52,445</u>	<u>337,476</u>	<u>399,921</u>
Depreciation:				
September 30, 2014	-	34,068	141,435	175,503
Charge for the year	-	5,937	33,691	39,628
Transferred to assets held-for-sale [note 3(d)]	-	( 4,505)	-	( 4,505)
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>( 811)</u>	<u>( 811)</u>
September 30, 2015	-	35,500	174,315	209,815
Charge for the year	-	4,122	34,473	38,595
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>( 2,943)</u>	<u>( 2,943)</u>
September 30, 2016	<u>-</u>	<u>39,622</u>	<u>205,845</u>	<u>245,467</u>
Net book value:				
September 30, 2016	<u>10,000</u>	<u>12,823</u>	<u>131,631</u>	<u>154,454</u>
September 30, 2015	<u>10,000</u>	<u>16,945</u>	<u>136,770</u>	<u>163,715</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20163. Property, plant & equipment (cont'd)

## (b) The Company:

	<u>Freehold land</u> \$'000	<u>Freehold buildings and infrastructure</u> \$'000	<u>Machinery equipment &amp; vehicles</u> \$'000	<u>Total</u> \$'000
At cost or deemed cost:				
September 30, 2014	6,144	34,880	211,960	252,984
Additions	<u>-</u>	<u>-</u>	<u>17,625</u>	<u>17,625</u>
September 30, 2015	6,144	34,880	229,585	270,609
Additions	<u>-</u>	<u>-</u>	<u>38,468</u>	<u>38,468</u>
September 30, 2016	<u>6,144</u>	<u>34,880</u>	<u>268,053</u>	<u>309,077</u>
Depreciation:				
September 30, 2014	-	18,260	132,180	150,440
Charge for the year	<u>-</u>	<u>3,130</u>	<u>25,915</u>	<u>29,045</u>
September 30, 2015	-	21,390	158,095	179,485
Charge for the year	<u>-</u>	<u>3,037</u>	<u>29,006</u>	<u>32,043</u>
September 30, 2016	<u>-</u>	<u>24,427</u>	<u>187,101</u>	<u>211,528</u>
Net book values:				
September 30, 2016	<u>6,144</u>	<u>10,453</u>	<u>80,952</u>	<u>97,549</u>
September 30, 2015	<u>6,144</u>	<u>13,490</u>	<u>71,490</u>	<u>91,124</u>

- (c) At reporting date, property, plant and equipment subject to finance lease arrangements are included in machinery equipment and vehicles as follows (see note 16):

	<u>The Group and the Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000
At cost	25,111	-
Accumulated depreciation	( 2,976)	<u>-</u>
Net book value	<u>22,135</u>	<u>-</u>

- (d) Freehold land and buildings were professionally valued on a fair market value basis by Stoppi Cairney Bloomfield in September 2001. These values have been incorporated into the financial statements as deemed costs as at the date of transition to IFRS (October 1, 2001). The surpluses arising from these adjustments were credited to capital reserves (note 14).

- (e) Assets held-for-sale:

This represents land and building located at 7 Norwich Avenue, Kingston 11.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
 Year ended September 30, 2016

4. Intangible asset

	<u>The Group</u>
This represents development costs incurred.	\$'000
At cost:	
September 30, 2014, 2015 and 2016	<u>11,143</u>
Amortisation:	
September 30, 2015	743
Charge for year	<u>2,229</u>
September 30, 2016	<u>2,972</u>
Net book value:	
September 30, 2016	<u>8,171</u>
September 30, 2015	<u>10,400</u>

5. Investment in subsidiary companies and due from/to subsidiary companies

(a) Investment in subsidiary companies comprises:

	<u>The Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Shares at cost:		
Coffee Company of Jamaica Limited	790	790
Shirriff's (Jamaica) Limited	91	91
Mountain Peak Food Processors Limited	84,595	34,600
Pimora Company Limited	26,000	26,000
Contributed capital	<u>-</u>	<u>9,500</u>
	<u>111,476</u>	<u>70,981</u>
(b) Due from subsidiary (due after twelve months):		
Mountain Peak Food Processors Limited	<u>155,387</u>	<u>147,073</u>
(c) Due from subsidiary (within twelve months):		
Pimora Company Limited	9,403	199
Mountain Peak Food Processors Limited	<u>30,443</u>	<u>34,801</u>
	<u>39,846</u>	<u>35,000</u>

See note 2(c)(i) for share ownership in subsidiaries



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

6. Employee benefits

## (a) Defined benefit pension plan:

The Group operates a pension plan which provides retirement and death benefits to its employees. The plan is administered by trustees and is managed by Guardian Life Limited. Contributions to the plan are made by the company and employees based on a percentage of the employees' pensionable earnings. Retirement benefits are based on the final pensionable salary which is the members' annualised pensionable salary as at the normal retirement date.

- (i) The amounts recognised in the statement of financial position are determined as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Fair value of plan assets	68,938	57,767
Present value of funded obligation	(44,276)	(41,378)
	<u>24,662</u>	<u>16,389</u>

- (ii) The movement in the asset recognised in the statement of financial position is as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
At beginning of year	16,389	11,501
Contributions paid	1,402	1,113
Pension expenses recognised in profit or loss	( 3,018)	( 1,995)
Remeasurement recognised in other comprehensive income	<u>9,889</u>	<u>5,770</u>
At end of year	<u>24,662</u>	<u>16,389</u>

- (iii) The movement in present value of funded obligations is as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
At beginning of year	(41,378)	(62,925)
Benefit paid	4,802	26,997
Employees' contributions	( 2,762)	( 2,155)
Current service and interest costs	( 7,434)	( 7,742)
Actuarial gain/(loss) due to:		
Experience gain	2,496	5,585
Financial assumption	<u>-</u>	<u>( 1,138)</u>
At end of year	<u>(44,276)</u>	<u>(41,378)</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
 Year ended September 30, 2016

6. Employee benefits (cont'd)

## (a) Defined benefit pension plan (cont'd):

## (iv) The movement in the plan assets is as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Fair value of plan assets at beginning of year	57,767	74,426
Contributions paid	4,162	3,267
Interest income on plan assets	5,033	5,879
Benefit paid	( 4,802)	(26,997)
Re-measurement gain on plan assets included in OCI	7,393	1,323
Administrative fees	( 615)	( 131)
Fair value of plan assets at end of year	<u>68,938</u>	<u>57,767</u>

The assets of the fund are invested in Guardian Life's Pooled Investment and Money Market Fund and the Deposit Administration Fund as at September 30, 2016 and 2015 as follows:

	<u>The Group and the Company</u>			
	<u>2016</u>		<u>2015</u>	
	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>%</u>
Pooled Investment and Money Market Fund	63,140	92	50,540	87
Deposit Administration Fund	<u>5,798</u>	<u>8</u>	<u>7,227</u>	<u>13</u>
	<u>68,938</u>	<u>100</u>	<u>57,767</u>	<u>100</u>

## (v) The amounts recognised in profit or loss included in staff costs are as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Employer's current service cost	3,941	2,995
Interest income on plan assets	(5,033)	(5,879)
Interest costs on obligation	3,495	4,747
Administrative fees	<u>615</u>	<u>132</u>
At the end of the year	<u>3,018</u>	<u>1,995</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20166. Employee benefits (cont'd)

## (a) Defined benefit pension plan (cont'd):

- (vi) Components of defined benefit income/(cost) recognised in other comprehensive income

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Remeasurement of defined benefit liability	2,496	4,447
Remeasurement of plan assets	<u>7,393</u>	<u>1,323</u>
	<u>9,889</u>	<u>5,770</u>

- (vii) The principal actuarial assumptions used were as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	%	%
Discount rate	9.0	9.0
Future salary increases	7.0	7.0
Future pension increases	2.5	2.5
Inflation rate	<u>5.5</u>	<u>5.5</u>

Assumptions regarding future mortality are based on GAM 94 table, with no age set back. The expected long-term discount rate on plan assets is based on the assumed long-term rate of inflation.

At September 30, 2016 the weighted average duration at the defined benefit obligation was 12.8 years (2015: 14.0 years).

- (viii) A one percentage point change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by amounts shown below:

<u>Actuarial assumption</u>	<u>2016</u>		<u>2015</u>	
	One	One	One	One
	percentage <u>point increase</u>	percentage <u>point decrease</u>	percentage <u>point increase</u>	percentage <u>point decrease</u>
	\$'000	\$'000	\$'000	\$'000
Discount rate	(4,881)	6,000	(4,965)	6,110
Assumed rate of salary escalation	1,901	(1,724)	2,165	(2,008)
Future rate of pension	<u>3,641</u>	<u>(3,142)</u>	<u>3,464</u>	<u>(2,986)</u>

As mortality continues to improve, estimates of life expectancy are expected to increase. An increase of one year in life expectancy will increase the employee benefit obligation by approximately \$610,000 (2015: \$490,000), while a decrease of one year in life expectancy will result in an equal but opposite effect.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

6. Employee benefits (cont'd)

## (a) Defined benefit pension plan (cont'd):

(ix) The estimated pension contribution expected to be paid into the defined benefit plan during the next financial year is \$1,312,311 (2015: \$2,412,990).

## (b) Post retirement medical benefit obligation:

In 2010, a resolution was passed for the company to sponsor a post-retirement benefit scheme which covers health care for its full-time employees and its pensioners. The method of accounting and valuation are similar to that used for the defined benefit pension plan.

## (i) Movement in the present value of the obligations:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
Balance at beginning of year	36,119	36,194
Current service costs	2,628	1,815
Interest cost	3,154	3,336
Benefits paid	( 2,143)	( 2,159)
Actuarial gains arising from:		
Experience adjustments	( 5,892)	( 3,035)
Changes in Demographic assumptions	( 1,506)	-
Changes in financial assumptions	<u>-</u>	<u>( 32)</u>
Balance at end of year	<u>32,360</u>	<u>36,119</u>

## (ii) Components of benefit costs recognised in the statement of profit or loss:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
Current service costs	2,628	1,815
Interest on obligation	<u>3,154</u>	<u>3,336</u>
	<u>5,782</u>	<u>5,151</u>

## (iii) Credit recognised in other comprehensive income:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
Experience adjustments	( 5,892)	( 3,035)
Changes in demographic Assumptions	( 1,506)	-
Changes in financial assumptions	<u>-</u>	<u>( 32)</u>
Re-measurement loss on obligation	<u>( 7,398)</u>	<u>( 3,067)</u>

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

6. Employee benefits (cont'd)

## (b) Post retirement medical benefit obligation (cont'd):

(iv) The principal actuarial assumptions used were as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
Discount rate	9.0%	9.0%
Health cost inflation	<u>7.5%</u>	<u>7.5%</u>

Post-employment mortality for active members and mortality for pensioners is based on the 1994 Group Annuity Mortality Tables (GAM) 94 table (U.S. mortality tables) with no age setback.

At September 30, 2016 the weighted average duration at the defined benefit obligation was 12.7 years (2014: 13.1 years).

The actuarial assumption regarding mortality, inflation etc. follow the same bases as those outlined in note 6(a)(vii) above.

(v) A one percentage point change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the medical benefit obligations by amounts shown below:

<u>Actuarial assumption</u>	<u>2016</u>		<u>2015</u>	
	<u>One</u>	<u>One</u>	<u>One</u>	<u>One</u>
	<u>percentage</u>	<u>percentage</u>	<u>percentage</u>	<u>percentage</u>
	<u>point increase</u>	<u>point decrease</u>	<u>point increase</u>	<u>point decrease</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	(3,537)	4,391	(4,110)	5,106
Medical inflation rate	<u>4,413</u>	<u>(3,612)</u>	<u>5,132</u>	<u>(4,196)</u>

7. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash in hand and bank	38,246	67,010	26,415	65,025
Short-term deposits	<u>88,223</u>	<u>45,476</u>	<u>58,127</u>	<u>45,476</u>
	<u>126,469</u>	<u>112,486</u>	<u>84,542</u>	<u>110,501</u>

At the reporting date, cash in hand and bank include US\$152,000. The company's short-term deposits include US\$381,000. In the prior year, an amount of \$25,476,000 was held as deposit with a related party.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20168. Investment(a) Long-term

	<u>The Group and the Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000
Fixed deposits	<u>49,071</u>	<u>-</u>

Fixed deposits include J\$15,000,000 and US\$267,000 maturing in November 2017 and March 2018 respectively. The effective interest rates on these investments are 9% (2015: 8.64%) and 3% per annum.

(b) Short-term

	<u>The Group and the Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000
Resale agreements (i)	31,915	-
Fixed deposits (ii)	27,448	15,000
Equity investment (iii)	<u>8,500</u>	<u>-</u>
	<u>\$67,863</u>	<u>15,000</u>

(i) The fair value of the securities under resale agreements approximates the carrying value of the agreements. The resale agreements include US\$250,000 which earns interest at a rate of 1.5%-2.25% per annum.

(ii) This deposit includes US\$215,000 and earns interest at 8.35% per annum, and matures on June 16, 2017.

(iii) This is an investment which earns gains at 6.25%

At the reporting date, the company had investment of \$67,863,000 (2015: \$Nil) with Ideal Finance Corporation Limited and Ideal Portfolio Services Company Limited, both being related parties.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20169. Deferred taxation

Deferred income taxes are calculated on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes, using an effective tax rate of 25%.

This comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$'000	\$'000	\$'000	\$'000
Net deferred tax asset	<u>40,331</u>	<u>38,777</u>	<u>8,883</u>	<u>8,968</u>

Deferred tax assets are attributable to the following:

	<u>2016</u>			
	<u>The Group</u>			
	October 1,	Recognised	Recognition	September
	<u>2015</u>	in	in other	30,
	\$'000	income	comprehensive	2016
		\$'000	income	\$'000
		(note 21)	\$'000	\$'000
Accounts payable	998	( 443)	-	555
Property, plant and equipment	( 3,800)	7,532	-	3,732
Employee benefits assets, net	4,933	1,314	(4,322)	1,925
Unrealised gain on exchange	9	1	-	10
Tax value of losses carried forward	36,848	(2,531)	-	34,317
Accrued interest receivable	( 211)	3	-	( 208)
	<u>38,777</u>	<u>5,876</u>	<u>(4,322)</u>	<u>40,331</u>

	<u>2015</u>			
	<u>The Group</u>			
	October 1,	Recognised	Recognition	September
	<u>2014</u>	in	in other	30,
	\$'000	income	comprehensive	2015
		\$'000	income	\$'000
		(note 21)	\$'000	\$'000
Accounts payable	1,005	( 7)	-	998
Property, plant and equipment	( 7,682)	3,882	-	( 3,800)
Employee benefits assets, net	5,843	1,299	(2,209)	4,933
Unrealised gain on exchange	23	( 14)	-	9
Tax value of losses carried forward	22,635	14,213	-	36,848
Accrued interest receivable	-	( 211)	-	( 211)
	<u>21,824</u>	<u>19,162</u>	<u>(2,209)</u>	<u>38,777</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 20169. Deferred taxation (cont'd)

Deferred tax assets are attributable to the following (cont'd):

	<u>2016</u>			
	<u>The Company</u>			
	October 1, <u>2015</u> \$'000	Recognised in <u>income</u> \$'000 (note 21)	Recognition in other comprehensive <u>income</u> \$'000	September 30, <u>2016</u> \$'000
Accounts payable	1,001	( 445)	-	556
Property, plant and equipment	3,236	3,364	-	6,600
Employee benefits assets, net	4,933	1,314	(4,322)	1,925
Unrealised gain on exchange	9	1	-	10
Accrued interest receivable	( 211)	<u>3</u>	<u>-</u>	( 208)
	<u>8,968</u>	<u>4,237</u>	<u>(4,322)</u>	<u>8,883</u>
	<u>2015</u>			
	<u>The Company</u>			
	October 1, <u>2014</u> \$'000	Recognised in <u>income</u> \$'000 (note 21)	Recognition in other comprehensive <u>income</u> \$'000	September 30, <u>2015</u> \$'000
Accounts payable	1,005	( 4)	-	1,001
Property, plant and equipment	( 374)	3,610	-	3,236
Employee benefits assets, net	5,843	1,299	(2,209)	4,933
Unrealised gain on exchange	23	( 14)	-	9
Accrued interest receivable	-	( 211)	-	( 211)
	<u>6,497</u>	<u>4,680</u>	<u>(2,209)</u>	<u>8,968</u>

10. Accounts receivable

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000	<u>2016</u> \$'000	<u>2015</u> \$'000
Trade receivables	131,744	73,624	121,742	67,546
Prepayments	14,722	9,376	5,782	6,068
Other receivables	<u>5,681</u>	<u>7,794</u>	<u>5,651</u>	<u>7,796</u>
	152,147	90,794	133,175	81,410
Less: Allowances for doubtful debts	( 4,946)	( 451)	( 4)	( 340)
	<u>147,201</u>	<u>90,343</u>	<u>133,171</u>	<u>81,070</u>

The exposure of the group and company to credit and currency risks and impairment losses relating to trade and other receivables are disclosed in note 24(a)(i).



SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201611. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$'000	\$'000	\$'000	\$'000
Raw and packaging material	124,836	127,774	119,292	111,685
Finished goods held for sale	78,090	101,858	71,421	99,380
Work-in-progress	58,876	100,991	58,876	100,848
Fuel, spares and consumables	<u>20,751</u>	<u>18,940</u>	<u>20,280</u>	<u>18,470</u>
	282,553	349,563	269,869	330,383
Provision for obsolescence	( 3,451)	( 8,601)	-	( 3,131)
	<u>279,102</u>	<u>340,962</u>	<u>269,869</u>	<u>327,252</u>

During the year inventory write-offs aggregating \$7,466,000 (2015: \$7,671,532) were recognised in profit or loss.

12. Biological assets

This represents immature ginger rhizomes at cost.

Immature ginger rhizomes under cultivation represented five acres of farm land.

## (a) Reconciliation of carrying amount:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Balance as at October 1	2,017	2,500
Overhead and other associated costs	3,581	3,303
Harvested rhizomes transferred to inventory during the year	(3,548)	(3,786)
Balance as at September 30	<u>2,050</u>	<u>2,017</u>

13. Share capital

<u>The Group and the Company</u>	
<u>2015</u>	<u>2014</u>
\$'000	\$'000

Authorised:

500,000,000 ordinary units of no par value

Stated:

Issued and fully paid:

103,883,300 ordinary stock units of no par value 73,216 73,216

In a meeting of the Board of Directors held on November 19, 2015 (2015: December 5, 2014) a dividend of 40¢ (2014: 40¢) per share was declared.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201614. Capital reserves

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Revaluation surplus on assets carried at deemed cost	14,528	14,528	4,838	4,838
Realised gains	<u>1,747</u>	<u>1,747</u>	<u>1,705</u>	<u>1,705</u>
	<u>16,275</u>	<u>16,275</u>	<u>6,543</u>	<u>6,543</u>

15. Non-controlling interests

This represents non-controlling interests in the company's subsidiaries as follows:

	<u>% interest</u>	
	<u>2016</u>	<u>2015</u>
Mountain Peak Food Processors Limited	0.2%	20%
Pimora Limited	<u>30%</u>	<u>30%</u>

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

	<u>The Group</u>					
	<u>2016</u>			<u>2015</u>		
	Mountain Peak Food Processors Limited	Pimora Company Limited	Total	Mountain Peak Food Processors Limited	Pimora Company Limited	Total
	<u>0.2%</u>	<u>30%</u>		<u>20%</u>	<u>30%</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	
Percentage ownership interest:						
Non-current assets	117,105	17,577	134,682	125,642	24,505	150,147
Current assets	61,900	4,297	66,197	23,198	2,273	25,471
Non-current liabilities	-	-	-	-	-	-
Current liabilities	(190,017)	(11,622)	(201,639)	(186,992)	( 1,711)	(188,703)
Contributed capital	-	-	-	( 9,500)	-	( 9,500)
Net (liabilities)/assets (100%)	( 11,012)	10,252	( 760)	( 47,652)	25,067	( 22,585)
NCI share of subsidiary net (liabilities)/assets	( 22)	3,076	3,054	( 9,530)	7,406	( 2,124)
Revenue	196	-	196	4,969	133	5,102
Total comprehensive loss for the year	(13,355)	(14,434)	(27,789)	(33,856)	(9,521)	(43,377)
Loss allocated to non-controlling interests (NCI)	(1,607)	(4,330)	(5,937)	(6,771)	(2,970)	(9,741)
Cashflow from operating activities	( 9,188)	( 9,787)	(18,975)	(16,186)	(12,263)	(28,449)
Cashflow from investing activities	(21,683)	10,009	(11,674)	4,487	11,439	15,926
Cashflow from financing activities	40,495	-	40,495	9,500	-	9,500
Net increase/(decrease) in cash and cash equivalent	9,624	222	9,846	(2,199)	(824)	(3,023)

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

15. Non-controlling interests (cont'd)

In August 2016, the Group acquired additional 19.80% interest in Mountain Peak Food Processors Limited increasing its ownership from 80% to 99.80%.

The carrying amount of Mountain Peak Food Processors Limited at date of acquisition was \$11,127,000. The group recognised a decrease in NCI and retained earnings of \$11,115,000.

16. Obligations under finance lease

Finance lease liabilities are payable as follows:

	<u>The Group and the Company</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Within 1 year	8,999	-
In 2 to 5 years	<u>14,406</u>	<u>-</u>
	23,405	-
Less: Future finance charge	( <u>2,585</u> )	<u>-</u>
Present value of minimum lease payments	20,820	-
Less: Current portion	( <u>7,415</u> )	<u>-</u>
	<u>13,405</u>	<u>-</u>

The fair value of the finance lease liability approximates its carrying amount.

Finance leases relates to the purchase of an x-ray machine and motor vehicles with lease terms of 3 years. The company's obligation under finance leases are secured by the lessor's title to the leased assets. The carrying value of leased assets amounts to \$22,135 million (see note 3).

17. Accounts payable

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$'000	\$'000	\$'000	\$'000
Trade payables	52,503	34,923	49,368	31,797
Accrued charges	27,856	20,452	25,558	16,948
Other payables	<u>22,428</u>	<u>5,038</u>	<u>22,425</u>	<u>5,038</u>
	<u>102,787</u>	<u>60,413</u>	<u>97,351</u>	<u>53,783</u>

The group's and company's exposure to liquidity risks to accounts payable is disclosed in note 24.

18. Sales

Sales comprise the invoiced value of goods sold, net of general consumption tax, rebates and discounts.

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201619. Net finance income

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Finance income:				
Interest income	5,867	6,079	5,723	6,075
Gain on quoted equities	500	-	500	-
Foreign exchange gain	<u>6,896</u>	<u>3,660</u>	<u>6,767</u>	<u>3,600</u>
	<u>13,263</u>	<u>9,739</u>	<u>12,990</u>	<u>9,675</u>
Finance costs:				
Bank charges and interest	( 2,108)	( 840)	( 1,992)	( 676)
	<u>11,155</u>	<u>8,899</u>	<u>10,998</u>	<u>8,999</u>

20. Nature of expenses

Profit before taxation is stated after charging:

## (a) Cost of goods sold:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Depreciation	28,789	29,990	25,110	23,104
Insurance	5,810	7,821	4,505	5,555
Outsourcing	56,160	57,504	54,736	49,133
Other	2,990	9,363	2,162	6,233
Repairs and maintenance	13,123	12,113	12,680	10,363
Security	10,711	10,126	6,878	6,526
Utilities	26,248	37,207	25,680	34,774
Salaries and other related costs	30,606	29,687	27,885	24,473
Raw material and consumables	<u>335,650</u>	<u>299,773</u>	<u>304,694</u>	<u>262,724</u>
	<u>510,087</u>	<u>493,584</u>	<u>464,330</u>	<u>422,885</u>

## (b) Selling and promotion expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Advertising and promotions	23,669	25,728	20,532	21,693
Bad debt	5,632	456	655	340
Delivery and handling charges	3,069	2,718	2,121	1,959
Other	3,871	7,861	2,753	4,958
Salaries and other related costs	<u>14,067</u>	<u>12,737</u>	<u>12,185</u>	<u>11,711</u>
	<u>50,308</u>	<u>49,500</u>	<u>38,246</u>	<u>40,661</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201620. Disclosure of expenses (cont'd)

## (c) Administration expenses:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Audit fees	3,520	3,350	2,200	2,200
Computer expenses	4,596	3,277	4,479	3,158
Depreciation and amortization	12,035	10,370	6,933	5,928
Director fees	8,949	8,920	8,949	8,920
Insurance	1,322	1,408	1,222	1,408
Outsourcing	19,567	18,375	19,557	16,143
Other	6,646	2,779	5,855	4,032
Legal and professional fees	9,571	12,296	4,554	9,157
Redundancy pay	2,450	-	2,450	-
Registrar and AGM expenses	1,662	2,064	1,662	2,014
Retirement benefit, net	5,255	3,874	5,255	3,874
Salaries and other related costs	48,135	37,183	48,135	37,144
Utilities	<u>2,818</u>	<u>2,927</u>	<u>2,818</u>	<u>2,927</u>
	<u>126,526</u>	<u>106,823</u>	<u>114,069</u>	<u>96,905</u>

21. Taxation

- (a) Taxation is based on net profit for the year adjusted for taxation purposes and represents income tax charged at 25%.

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current tax expense:				
Income tax	32,084	24,428	31,961	24,428
Employment tax credit	( 9,137)	( 6,706)	( 9,137)	( 6,706)
Adjustments in respect of prior year	-	( 7,085)	-	( 7,085)
	<u>22,947</u>	<u>10,637</u>	<u>22,824</u>	<u>10,637</u>
Deferred taxation:				
Originating and reversal of other timing differences, net	( 5,876)	(19,162)	( 4,237)	( 4,680)
	<u>17,071</u>	<u>( 8,525)</u>	<u>18,587</u>	<u> 5,957</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201621. Taxation (cont'd)

## (b) Reconciliation of effective tax rate:

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000	<u>2016</u> \$'000	<u>2015</u> \$'000
Profit before tax	<u>85,971</u>	<u>23,127</u>	<u>116,092</u>	<u>82,179</u>
Computed "expected" tax expense @ 25%	21,492	5,781	29,023	20,545
Difference between profits for financial statements and tax reporting purposes on:				
Employment tax credit	( 9,137)	( 6,706)	( 9,137)	( 6,706)
Disallowed expenses and capital adjustments, net	4,716	( 515)	( 1,299)	( 797)
Adjustments in respect of prior year	<u>-</u>	<u>( 7,085)</u>	<u>-</u>	<u>( 7,085)</u>
Actual expense	<u>17,071</u>	<u>( 8,525)</u>	<u>18,587</u>	<u>5,957</u>

- (c) As at September 30, 2016, subject to the agreement of The Commissioner, Tax Administration Jamaica, tax losses available for offset against future taxable profits for the group was \$161,584,140 (2015: \$146,889,996) and for the company Nil (2015: Nil). As at January 1, 2014, tax losses may be carried forward indefinitely; however, the amount that can be utilized in any one year is restricted to 50% of the current year's taxable profits.

Deferred tax asset of \$5,396,000 for the group has not been recognised in respect of tax losses in a subsidiary amounting to \$24,019,000.

22. Transactions with related parties

	<u>The Group</u>		<u>The Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000	<u>2016</u> \$'000	<u>2015</u> \$'000
(i) Directors emoluments:				
Fees	8,949	8,920	8,949	8,920
Management remuneration	<u>-</u>	<u>5,642</u>	<u>-</u>	<u>2,250</u>

- (ii) For directors/executive officers who receive salaries, the company contracts to a post employment defined benefit plan on their behalf.

Key management personnel compensation is as follows:

	<u>The Group and the Company</u>	
	<u>2016</u> \$'000	<u>2015</u> \$'000
Short-term employee benefits	24,930	15,096
Post-employment benefits	<u>48,842</u>	<u>31,007</u>

SALADA FOODS JAMAICA LIMITEDNotes to the Financial Statements (Continued)  
Year ended September 30, 201623. Earnings per ordinary stock unit

Basic earnings per share are calculated by dividing the net profit attributable to members by the number of stock units in issue during the year.

	<u>2016</u>	<u>2015</u>
Net profit attributable to shareholders (\$'000)	<u>74,837</u>	<u>41,393</u>
Number of stock units in issue	<u>103,883,300</u>	<u>103,883,300</u>
Basic earnings per stock unit (\$)	<u>0.72</u>	<u>0.40</u>

24. Financial instruments

## (a) Financial risk management:

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

The group's risk management policies are established to identify and analyse the risks faced by the group to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group's activities.

## (i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises principally from the receivables arising from credit given to customers and deposits and investments with financial institutions. The maximum credit exposure is represented by the carrying amount of the financial assets in the statement of financial position.

*Cash and cash equivalents*

Cash and cash equivalents are maintained with substantial counter-parties deemed to have low risk of default.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
 Year ended September 30, 2016

24. Financial instruments (cont'd)

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

## (i) Credit risk (cont'd):

*Trade receivables*

The group generally does not require collateral in respect of non-cash financial assets. The group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. Management has a credit policy in place to minimise exposure to credit risk. Credit evaluations are performed on all customers requiring credit. Management establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

At reporting date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The aging of trade receivables at the reporting date was:

	The Group			
	2016		2015	
	<u>Gross</u> \$'000	<u>Impairment</u> \$'000	<u>Gross</u> \$'000	<u>Impairment</u> \$'000
Past due 0-30 days	116,543	-	66,750	-
Past due 31-60 days	10,120	-	6,253	-
More than 60 days	<u>5,081</u>	<u>(4,946)</u>	<u>621</u>	<u>(451)</u>
	<u>131,744</u>	<u>(4,946)</u>	<u>73,624</u>	<u>(451)</u>

	The Company			
	2016		2015	
	<u>Gross</u> \$'000	<u>Impairment</u> \$'000	<u>Gross</u> \$'000	<u>Impairment</u> \$'000
Past due 0-30 days	112,700	-	61,113	-
Past due 31-60 days	9,042	( 4)	6,093	-
More than 60 days	<u>-</u>	<u>-</u>	<u>340</u>	<u>( 340)</u>
	<u>121,742</u>	<u>( 4)</u>	<u>67,546</u>	<u>( 340)</u>

Based on past experience, the group and the company believes that trade receivables not provided for, relates to customers that have a good track record with the company, as such no additional provision is considered necessary.

There is no change from the prior year in the nature of the company's exposure to credit risk or the manner in which it manages and measures the risk.



SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

24. Financial instruments (cont'd)

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

## (ii) Liquidity risk:

Liquidity risk is the risk that the group will not meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company and or its subsidiaries reputation.

Management aims at maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. The management of the group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

The contractual outflows as at September 2016 and 2015 for accounts payable are represented by their carrying amounts in the statement of financial position, and require settlements within 12 months of the reporting date.

There is no change from the prior year in the nature of the company's exposure to liquidity risk or the manner in which it manages and measures the risk.

## (iii) Market risk:

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

## • 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 materially contracts financial liabilities at fixed interest rates for the duration of the term. At September 30, 2016 and 2015, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets mainly comprise monetary instruments, bank deposits and short-term investments, which have been contracted at fixed interest rates for the duration of their terms.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
 Year ended September 30, 2016

24. Financial instruments (cont'd)

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

## (iii) Market risk (cont'd):

- Interest rate risk (cont'd):

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

	<u>The Group and the company</u>	
	<u>Carrying amount</u>	
	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Variable rate:		
Assets	<u>183,948</u>	<u>105,502</u>

*Fair value sensitivity analysis for fixed rate instruments*

The group does not hold any fixed rate financial assets that are subject to material changes in fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or equity.

*Cash flow sensitivity analysis for variable rate instruments*

An increase in interest rate of change of 1% (2015: 1%) at the reporting date would have increased profit or loss by \$1,839,411 (2015: \$1,055,021), while a 1% (2015: 0.5%) decline in interest rate at reporting date would have decreased profit by \$1,839,411 (2015: \$527,511).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

- Foreign currency risk:

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

The group is exposed to significant foreign currency risk, primarily on purchases that are denominated in a currency other than the Jamaica dollar. Such exposures comprise the monetary assets and liabilities of the group that are not denominated in that currency. The main foreign currency risks of the group are denominated in United States dollars (US\$), which is the principal intervening currency for the group.

The group jointly manages foreign exchange exposure by maintaining adequate liquid resources in appropriate currencies and by managing the timing of payments on foreign currency liabilities.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

24. Financial instruments (cont'd)

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

## (iii) Market risk (cont'd):

- Foreign currency risk:

The table below shows the group's main foreign currency exposure at the reporting date.

	The Group and the Company			
	Net foreign currency monetary assets			
	2016		2015	
	<u>US\$</u>	<u>J\$</u>	<u>US\$</u>	<u>J\$</u>
Cash and cash equivalents	533,912	68,121,864	575,251	68,483,633
Investments	732,303	93,434,508	-	-
Accounts receivable	383,343	48,910,777	176,310	20,865,635
Accounts payable	( 228,046)	( 29,096,334)	( 67,688)	( 8,008,231)
Net exposure	<u>1,421,512</u>	<u>181,370,815</u>	<u>683,873</u>	<u>81,341,037</u>

Exchange rates for the US dollar, in terms of Jamaica dollars, were as follows:

September 30, 2014	112.66
September 30, 2015	119.05
September 30, 2016	127.59

*Sensitivity analysis*

A 1% (2015: 1%) strengthening of the Jamaican dollar against the US\$ would have decreased profit for the year by \$1,813,708 (2015: \$813,410).

A 6% (2015: 8%) weakening of the Jamaica dollar against the US\$ would have increased profits for the year by \$10,882,255 (2015: \$6,507,283).

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2015.

There is no change from the prior year in the nature of the company's exposure to market risk or the manner in which it manages and measures the risk.

SALADA FOODS JAMAICA LIMITED

Notes to the Financial Statements (Continued)  
Year ended September 30, 2016

24. Financial instruments (cont'd)

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

## (iv) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

## (b) Capital management:

The Board's policy is to maintain a strong capital base to maintain customer, creditor and other stakeholder confidence, and to sustain future development of the business. The Board of Directors monitor the return on capital, which is defined as total shareholders' equity and the level of dividends to shareholders. The company and its' subsidiaries are not subject to any externally imposed capital requirements.

## (c) Fair value disclosure:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between markets participants at the measurement date. The fair values of amounts disclosed as cash and cash equivalents, investment, accounts receivable, due to subsidiary/due from subsidiary and accounts payable approximate to their carrying value due to their short-term nature.

The group had no other financial instruments which were carried at fair value.

**SALADA FOODS JAMAICA LIMITED**

**LIST OF SHAREHOLDERS  
AS AT 30 SEPTEMBER 2016**

**10 LARGEST SHAREHOLDERS**

<b>SHAREHOLDERS</b>	<b>SHAREHOLDING</b>
RESOURCE IN MOTION LIMITED	60,233,700
AIC (JAMAICA) LIMITED	8,988,120
DONWIS LIMITED	7,504,280
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	3,217,477
JAMAICAN TEAS LIMITED BUYING ACCOUNT	2,958,985
IDEAL GROUP CORPORATION LIMITED	2,726,000
IDEAL FINANCE CORPORATION LIMITED	2,620,000
IDEAL BETTING COMPANY LIMITED	2,755,310
DONOVAN A. LEWIS	1,677,400
CARIBBEAN TRUST & MERCHANT BANK	1,030,760
	<b>93,712,032</b>

**SHAREHOLDINGS OF DIRECTORS' & CONNECTED PARTIES  
AS AT 30 SEPTEMBER 2016**

<b>DIRECTORS</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
Bernard, Michael	0	0	0
Hill, Aubyn	0	0	0
Lewis, Kathryn	81,447,767	1,000	81,446,767
Stultz, Eric	0	0	0
Williams, Patrick	0	0	0

<b>COMPANY SECRETARY</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
Smith, Michelle	0	0	0

**SENIOR MANAGEMENT HOLDINGS  
AS AT 30 SEPTEMBER 2016**

<b>SENIOR MANAGERS</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED</b>
Blake-Bennett, Dianna*	0	0	0
Kerr, Andrew	0	0	0
Lemard, Dave	0	0	0
Lewis, Lorna	0	0	0

**N.B:**

*Resignation- General Manager*

Jerome Miles as at 31 August 2016

*Appointment - Acting General Manager*

\* Dianna Blake-Bennett as at 31 August 2016