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Wisynco Group Limited

Financial Statements
30 June 2018

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Independent auditor's report

To the Members of Wisynco Group Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Wisynco Group Limited (the Company) and its subsidiary (together 'the Group') and the stand-alone financial position of the Company as at 30 June 2018, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

Wisynco Group Limited's consolidated and company financial statements comprise:

- the consolidated statement of financial position as at 30 June 2018;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 30 June 2018;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the* consolidated and stand-alone *financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for reconstruction and discontinued operations (Group and Company) *Refer to notes 2(t) and 11 to the consolidated financial statements for disclosures of related accounting policies and balances.*	
During the year, the Company effected a Scheme of Reconstruction ("the reconstruction"), which impacted the Group as a whole, and resulted in it retaining its core business along with the insurance operations of its subsidiary Indies Insurance Company Limited. Consequently, the ownership of the other subsidiaries, namely Wisynco Foods Limited and Seville Development Corporation Limited were transferred to separate legal entities of the ultimate parent company. Additionally, the shareholding of Fusion Holdings Limited was transferred to the ultimate parent company. The deemed disposal of these entities resulted in the transfer of net assets of $1,017,728,000 and	Our audit paid particular attention to the areas of judgement related to the recording of the reconstruction and the consistent application of the applicable IFRS requirements for both the current year and previous year adjustments. Our audit work focused on the following areas: • In order to have an accurate understanding of the reconstruction, we inspected the related contracts along with the approval from the Tax Administration under the laws of

$582,552,000 for the Group and Company respectively as at 30 October 2017 to the ultimate parent company. Additionally, the financial performance of the entities under the deemed disposal have been recorded as profits from discontinued operations of $41,555,000 (2017 - $190,845,000) in the statement of comprehensive income.

We focused on this area due to the significance of the amounts transferred as well as its general impact on the disclosures included in the financial statements.

Jamaica. We obtained management's entries for the reconstruction and agreed they were in accordance with our expectations based on the agreements and the application of the accounting standards.

- We tested certain financial statement line items, based on our professional judgement, comprising the net assets, which were deemed to be disposed of, through various procedures including confirmation with related party and agreement of balances to supporting documents.

- We recalculated the allocation, within the group and company, of the carrying value of the net assets and statement of comprehensive income balances of the subsidiaries and associate being disposed of for current and prior year. Based on the work performed above, we were able to evaluate the adequacy of the disclosures made in the notes to the financial statements in accordance with the accounting standards.

There were no significant exceptions from our procedures performed above.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after this auditor's report date.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Recardo Nathan.

PricewaterhouseCoopers

Chartered Accountants
28 September 2018
Kingston, Jamaica

Wisynco Group Limited

Consolidated Statement of Comprehensive Income

Year ended 30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	Restated 2017 $'000
Revenue		24,544,049	21,381,665
Cost of sales		(15,421,144)	(13,973,617)[1]
Gross Profit		9,122,905	7,408,048
Other operating income	5	92,157	743,538
Selling and distribution expenses		(5,412,601)	(4,708,190)
Administration expenses		(956,683)	(891,676)
Operating Profit		2,845,778	2,551,720
Finance income	8	130,837	159,965
Finance costs	9	(211,411)	(169,746)
Profit before Taxation		2,765,204	2,541,939
Taxation	10	(513,834)	(286,312)
Profit for the year from continuing operations		2,251,370	2,255,627
Profit from discontinued operations	11	41,555	190,845
Net Profit		2,292,925	2,446,472
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign subsidiary		26,853	(21)
Unrealised gains/(losses) on available-for-sale investments		3,728	(4,344)
Total Comprehensive Income		2,323,506	2,442,107
Net Profit attributable to:			
Shareholders of Wisynco Group Limited		2,292,961	2,446,492
Non-controlling interest	28	(36)	(20)
		2,292,925	2,446,472
Total Comprehensive Income attributable to:			
Shareholders of Wisynco Group Limited		2,323,542	2,442,127
Non-controlling interest		(36)	(20)
		2,323,506	2,442,107
Earnings Per Share from continuing and discontinued operations attributable to shareholders of the Group	12		
From continuing operations		$0.61	$0.63
From discontinued operations		$0.01	$0.05
		$0.62	$0.68

[1] See Note 34 for details of restatement

Wisynco Group Limited
Consolidated Statement of Financial Position
30 June 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	2017 $'000
Non-Current Assets			
Property, plant and equipment	14	6,775,727	5,175,738
Investments in associates	16	-	664,854
Intangibles	17	-	56,786
Available-for-sale investments	18	215,760	293,452
Deferred tax asset	29	-	52,156
Investment property	19	-	13,449
		6,991,487	6,256,435
Current Assets			
Inventories	20	2,199,273	1,957,852
Receivables and prepayments	21	2,302,693	1,910,075
Available-for-sale investments – current portion	18	269,530	184,386
Cash and short-term deposits	22	3,968,075	3,385,944
		8,739,571	7,438,257
Current Liabilities			
Trade and other payables	23	3,873,904	3,186,245
Short-term borrowings	24	376,686	432,840
Taxation payable		362,940	177,797
Due to parent company	24	-	259,745
		4,613,530	4,056,627
Net Current Assets		4,126,041	3,381,630
		11,117,528	9,638,065

Wisynco Group Limited

Consolidated Statement of Financial Position

30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	2017 $'000
Equity			
Capital and reserves attributable to the company's equity holders			
Share capital	25	1,192,647	57,927
Capital reserve	26	119,946	116,218
Translation reserve		30,086	3,233
Retained earnings	27	7,347,482	7,377,182
		8,690,161	7,554,560
Non-controlling interest	28	-	5,740
		8,690,161	7,560,300
Non-Current Liabilities			
Deferred tax liabilities	29	257,430	215,015
Borrowings	24	2,169,937	1,862,750
		2,427,367	2,077,765
		11,117,528	9,638,065

Approved by the Board of Directors on September 28, 2018 and signed on its behalf by:

William Mahfood Director

Andrew Mahfood Director

Wisynco Group Limited

Consolidated Statement of Changes in Equity

Year ended 30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Equity Holders of the Company					Non-Controlling Interest	Total Equity
	Number of shares '000	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Translation Reserve $'000	$'000	$'000
Balance at 1 July 2016	3,600,585	57,927	120,562	6,134,911	3,254	5,760	6,322,414
Net profit	-	-	-	2,446,492	-	(20)	2,446,472
Unrealised loss on investments	-	-	(4,344)	-	-	-	(4,344)
Exchange differences on translating foreign subsidiary	-	-	-	-	(21)	-	(21)
Total comprehensive income	-	-	(4,344)	2,446,492	(21)	(20)	2,442,107
Transactions with owners -							
Dividends paid (Note 33)	-	-	-	(1,204,221)	-	-	(1,204,221)
Balance at 30 June 2017	3,600,585	57,927	116,218	7,377,182	3,233	5,740	7,560,300
Net profit	-	-	-	2,292,961	-	(36)	2,292,925
Unrealised gain on investments	-	-	3,728	-	-	-	3,728
Exchange differences on translating foreign subsidiary	-	-	-	-	26,853	-	26,853
Total comprehensive income	-	-	3,728	2,292,961	26,853	(36)	2,323,506
Sale of ordinary shares (IPO) (Note 25)	149,415	1,134,720	-	-	-	-	1,134,720
Transactions with owners -							
Dividends paid (Note 33)	-	-	-	(1,304,933)	-	-	(1,304,933)
Transfer to owners consequent on reorganisation (Note 11)	-	-	-	(1,017,728)	-	(5,704)	(1,023,432)
	-	-	-	(2,322,661)	-	(5,704)	(2,328,365)
Balance at 30 June 2018	3,750,000	1,192,647	119,946	7,347,482	30,086	-	8,690,161

Wisynco Group Limited

Consolidated Statement of Cash Flows

Year ended 30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	2018 $'000	2017 $'000
Operating Activities		
Cash provided by operating activities (Note 30)	3,655,873	1,959,757
Cash Flows from Investing Activities		
Purchase of property, plant and equipment[(a)]	(2,728,656)	(2,312,422)
Purchase of intangible assets	-	(6,565)
Insurance proceeds	-	479,849
Purchase of investments	(468,805)	(260,295)
Proceeds from the sale of property, plant and equipment	8,533	25,199
Proceeds from sale of investment	477,529	18,344
Dividend received	1,487	3,101
Cash outflow on disposal of subsidiaries	(135,108)	-
Interest received	68,491	73,306
Cash used in investing activities	(2,776,529)	(1,979,483)
Cash Flows from Financing Activities		
Interest paid	(249,449)	(169,147)
Long-term loans repaid	(533,683)	(928,278)
Long-term loans received	725,000	1,900,000
Proceeds from IPO	1,134,720	-
Finance lease repaid	(58,587)	(95,265)
Dividend paid	(1,304,933)	(1,204,221)
Cash used in financing activities	(286,932)	(496,911)
Increase/(decrease) in cash and cash equivalents	592,412	(516,637)
Effects of changes in foreign exchange rates on cash and cash equivalents	11,293	51,102
Increase/(decrease) in cash and cash equivalents	603,705	(465,535)
Cash and cash equivalents at beginning of year	3,313,958	3,779,493
Cash and Cash Equivalents at End of Year (Note 22)	3,917,663	3,313,958

The principal non-cash transactions include:

(a) There was no acquisition of property, plant and equipment under finance lease in current year (2017 – $112,650,000).

Wisynco Group Limited
Company Statement of Comprehensive Income
Year ended 30 June 2018
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	Restated 2017 $'000
Revenue		24,514,835	21,247,767
Cost of sales		(15,284,340)	(13,588,194)
Gross Profit		9,230,495	7,659,573
Other operating income	5	85,397	736,796
Selling and distribution expenses		(5,412,601)	(4,976,496)
Administration expenses		(1,049,101)	(885,903)
Operating Profit		2,854,190	2,533,970
Finance income	8	130,837	159,965
Finance costs	9	(211,411)	(169,746)
Profit before Taxation		2,773,616	2,524,189
Taxation	10	(513,834)	(286,312)
Net Profit		2,259,782	2,237,877
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Unrealised gain/(loss) on available-for-sale investments		2,849	(4,344)
Total Comprehensive Income		2,262,631	2,233,533

Wisynco Group Limited

Company Statement of Financial Position

30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 $'000	2017 $'000
Non-Current Assets			
Property, plant and equipment	14	6,775,727	4,874,521
Investments in subsidiaries	15	11,375	164,434
Investments in associates	16	-	429,498
Available-for-sale investments	18	215,760	293,452
		7,002,862	5,761,905
Current Assets			
Inventories	20	2,199,273	1,940,382
Receivables and prepayments	21	2,291,515	1,978,610
Available-for-sale investments – current portion	18	269,530	184,386
Due from parent company	13(b)	1,898	
Cash and short-term deposits	22	3,918,405	3,187,431
		8,680,621	7,290,809
Current Liabilities			
Trade and other payables	23	3,854,981	3,093,489
Short-term borrowings	24	376,686	382,469
Taxation payable		362,940	178,814
Due to parent company	24	-	259,745
		4,594,607	3,914,517
Net Current Assets		4,086,014	3,376,292
		11,088,876	9,138,197
Shareholders' Equity			
Share capital	25	1,192,647	57,927
Capital reserve	26	119,946	117,097
Retained earnings		7,348,916	6,976,619
		8,661,509	7,151,643
Non-Current Liabilities			
Deferred tax liabilities	29	257,430	213,565
Borrowings	24	2,169,937	1,772,989
		2,427,367	1,986,554
		11,088,876	9,138,197

Approved for issue by the Board of Directors on September 28, 2018 and signed on its behalf by:

William Mahfood Director

Andrew Mahfood Director

Wisynco Group Limited

Company Statement of Changes in Equity

Year ended 30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of shares '000	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2016		3,600,585	57,927	121,441	5,942,963	6,122,331
Net profit		-	-	-	2,237,877	2,237,877
Other comprehensive income		-	-	(4,344)	-	(4,344)
Total comprehensive income		-	-	(4,344)	2,237,877	2,233,533
Transactions with owners -						
Dividends paid	33	-	-	-	(1,204,221)	(1,204,221)
Balance at 30 June 2017		3,600,585	57,927	117,097	6,976,619	7,151,643
Net profit		-	-	-	2,259,782	2,259,782
Other comprehensive income		-	-	2,849	-	2,849
Total comprehensive income		-	-	2,849	2,259,782	2,262,631
Sale of ordinary shares (IPO)	25	149,415	1,134,720	-	-	1,134,720
Transactions with owners -						
Dividends paid	33	-	-	-	(1,304,933)	(1,304,933)
Transfer to owners consequent on reorganisation	11	-	-	-	(582,552)	(582,552)
		-	-	-	(1,887,485)	(1,887,485)
Balance at 30 June 2018		3,750,000	1,192,647	119,946	7,348,916	8,661,509

Wisynco Group Limited

Company Statement of Cash Flows

Year ended 30 June 2018

(expressed in Jamaican dollars unless otherwise indicated)

	2018 $'000	2017 $'000
Operating Activities		
Cash provided by operating activities (Note 30)	3,563,012	1,766,967
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(2,680,363)	(2,258,648)
Proceeds from the sale of property, plant and equipment	8,533	25,199
Insurance proceeds	-	479,849
Purchase of investments	(468,805)	(260,295)
Proceeds from sale of investments	477,529	18,344
Dividend received	1,487	3,101
Interest received	68,491	71,736
Cash used in investing activities	(2,593,128)	(1,920,714)
Cash Flows from Financing Activities		
Interest paid	(249,449)	(158,678)
Long-term loans repaid	(495,644)	(928,278)
Long-term loans received	725,000	1,900,000
Proceeds from IPO	1,134,720	-
Finance leases repaid	(38,323)	(49,041)
Dividend paid	(1,304,933)	(1,204,221)
Cash used in financing activities	(228,629)	(440,218)
Increase/(decrease) in cash and cash equivalents	741,255	(593,965)
Effects of changes in foreign exchange rates	11,293	49,975
Cash and cash equivalents at beginning of year	3,115,445	3,659,435
Cash and Cash Equivalents at End of Year (Note 22)	3,867,933	3,115,445

The principal non-cash transactions include:

(a) There was no acquisition of property, plant & equipment under finance lease for 2018 (2017 – $28,774,000).

Wisynco Group Limited
Notes to the Financial Statements
30 June 2018
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) Wisynco Group Limited (the company) is a limited liability company, incorporated and domiciled in Jamaica. The parent company is Wisynco Group (Caribbean) Limited, a Barbados International Business Company. The ultimate controlling party of the company is Evesam Investments Holdings Limited, a company incorporated in the Cayman Islands. The registered office of the company is located at White Marl, St Catherine.

(b) The company together with wholly owned subsidiary, Indies Insurance Company Limited, incorporated and resident in St. Lucia is referred to as "the Group". The following entities are no longer part of the Group due to changes in the ownership structure as disclosed in Note 11:

Wisynco Foods Limited, subsidiary, previously 100% owned – Incorporated and resident in Jamaica
Seville Development Corporation Limited, subsidiary, previously 85% owned – Incorporated and resident in Jamaica
Fusion Holdings Limited, associate, previously 50% owned – Incorporated and resident in St. Lucia.

(c) The principal activities of the group are the bottling and distribution of water and beverages, the manufacturing of a wide range of plastic and foam packaging and disposable products for use in industry, tourism and for the retail trade, the distribution and retailing of food items and the provision of insurance services. The operation of fast food restaurants through Wisynco Foods Limited was discontinued during the year as disclosed in Note 11.

2. Significant Accounting Policies

(a) Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

Wisynco Group Limited

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

Amendments to IAS 7, 'Statement of Cash Flows', (effective for annual periods beginning on or after 1 January 2017). In January 2016, the IASB published amendments to IAS 7 to improve information about an entity's financing activities. These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The amendments require disclosure of information enabling users to evaluate changes in liabilities arising from financing activities including both cash and non-cash changes. The reconciliation of changes in liabilities arising from financing activities is disclosed in (Note 30).

Amendments to IAS 12, 'Income Taxes' (effective for annual periods beginning on or after 1 January 2017). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. Deferred tax assets are assessed in combination with other deferred tax assets where the tax law does not restrict the source of taxable profits against which particular types of deferred tax assets can be recovered. Where restrictions apply, deferred tax assets are assessed in combination only with other deferred tax assets of the same type. The amendment also clarifies that tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. There was no impact from the adoption of this amendment.

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective for the group at balance sheet date, and which the group has not early adopted. The group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after 1 January 2018) This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. The Group is currently assessing the impact of this amendment.

Amendments to IAS 12, 'Income Taxes, (effective for annual periods beginning on or after 1 January 2018). In January 2017, the IASB published amendments to IAS 12 clarifying specifically how to account for deferred tax assets related to debt instruments measured at fair value as well as clarifying the guidance for deferred tax assets in general by adding examples and elaborating on some of the requirements in more detail. The amendments do not change the underlying principles for the recognition of deferred tax assets. The Group does not expect any significant impact on its financial statements arising from the future adoption of the amendments.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRS 9, Financial Instruments (effective for annual periods beginning on or after 1 January 2018). This standard specifies how an entity should classify and measure financial instruments, including some hybrid contracts. It requires all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset; initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and subsequently measured at amortised cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the four categories of financial assets in IAS 39, each of which had its own classification criteria. They also result in one impairment method, replacing the two impairment methods in IAS 39 that arise from the different classification categories. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. There has been no significant change in the recognition and measurement of financial liabilities carried at amortised cost from what obtained under IAS 39.

The Group Executive Management Committee is in the process of evaluating the impact of IFRS 9 on the financial statements of the Group. The preliminary assessment to date will result in the Group continuing to account for available for sale investments at fair value through other comprehensive income and loans and receivables will continue to be accounted for at amortised cost based on the criteria of the standard. There is no anticipated impact on the accounting for financial liabilities as these labilities within the Group would continue to be accounted for similar to the existing standard IAS 39 *Financial Instruments: Recognition and Measurement*.

The Group will apply the 'general model' as required under IFRS 9 for debt instruments other than trade receivables by assessing on a forward-looking basis the expected credit losses associated with its available for sale investments carried at fair value through other comprehensive income. A simplified approach, permitted by IFRS 9 will be used for trade receivables, utilising historical default rates by aged receivables as well as forward looking information to determine impairment.

The new standard will have expanded disclosure requirements as well as changes in presentation. Upon adoption of the standard the Group will apply the modified retrospective approach, showing cumulative adjustments against opening retained earnings while not restating comparative information for the prior period.

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2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue. It also requires entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for accounting periods beginning on or after 1 January 2018.

The Group Executive Management Committee is in the process of evaluating the impact of IFRS 15 on the financial statements of the Group. Management's assessment indicates that accounting for contracts with variable consideration such as rights of return, trade discounts or volume rebates will be impacted. The Group currently records revenue net of General Consumption Tax or applicable sales tax, returns, rebates and discounts. The Group will determine estimates for variable consideration at the inception of a customer contract which will be updated periodically, this therefore impacts the pattern of revenue recognition which may result in deferred revenue.

The new standard will have expanded disclosure requirements as well as changes in presentation. Upon adoption of the standard the Group will apply the modified retrospective approach, showing cumulative adjustments against opening retained earnings while not restating comparative information for the prior period.

Amendment to IFRS 15, 'Revenue from contracts with customers' (effective for accounting periods beginning on or after 1 January 2018). These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The IASB has also included additional practical expedients related to transition to the new revenue standard.

IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). In January 2017, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for lessees for certain short-term leases and leases of low-value assets. The Group Executive Management Committee is in the process of evaluating the impact of IFRS 16 on the financial statements of the Group. The impact on the financial statements on adoption of IFRS 16 is not expected to be significant, as the Group currently accounts for all leases as finance leases. Additionally future lease contracts entered into will be based on terms resulting in its classification as finance lease.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective (continued)

IFRIC 23 'Uncertainty over Income Tax Treatments', (effective for annual reporting periods beginning on or after 1 January 2019).This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation. . The Group is currently assessing the impact of this amendment.

Amendments to IFRS 4 'Insurance Contracts' (effective for annual periods beginning on or after 1 January 2018). This amendment addresses the concerns of insurance companies about the different effective dates of IFRS 9, 'Financial instruments', and the forthcoming new insurance contracts standard. The amendment to IFRS 4 provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level); and the 'overlay approach'. Both approaches are optional. IFRS 4 (including the amendments that have now been issued) will be superseded by the forthcoming new insurance contracts standard. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective. The Group is currently assessing the impact of this standard.

IFRS 17, 'Insurance contracts' (effective for annual periods beginning on or after 1 January 2021). This standard was issued as replacement for IFRS 4 'Insurance contracts' and requires a current measurement model where estimates are re-measured each reporting period. The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts. The Group is currently assessing the impact of this standard.

The group has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will have no material impact on adoption; or are not relevant to its operations and will therefore have no material impact on adoption; or contain inconsequential clarifications that will have no material impact when they come into effect.

Wisynco Group Limited

2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus cost directly attributable to the acquisition. The excess of the cost over the fair value of net assets acquired is recorded as goodwill.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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2. Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(ii) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of results of associated companies' in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the company's statement of financial position, investment in associates is shown at cost.

The Group's associated companies are as follows:

	Financial Reporting Year-end	Country of Incorporation	Nature of Business	Group's percentage interest	
				2018	**2017**
Fusion Holdings Limited	30 June	Jamaica	Manufacturing and distribution	-	50.0

The group disposed of its interest in Fusion Holdings Limited through a reconstruction scheme as disclosed in Note 11.

(c) Revenue and income recognition

Group revenue comprises revenue of the group and its subsidiaries. Revenue is shown net of General Consumption Tax or applicable sales tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue comprises amounts charged to customers in respect of the sale of water and beverages, plastic, foam packaging and disposable products, general food items and fast food items.

Sale of goods

Revenue from the sale of merchandise and fast food items is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer which is upon acceptance of the goods by the customer.

Interest and dividend income

Interest income are recorded on the accrual basis using the effective interest method. Dividends are recognised when the right to receive payments is established.

Other operating income

Other operating income primarily comprising rebates received and the sale of miscellaneous items is recognised as it accrues unless collectibility is in doubt.

2. Significant Accounting Policies (Continued)

(d) Foreign currency translation

Transactions and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the year end, monetary assets and liabilities denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican dollars, which is the group's functional and presentation currency.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical or deemed cost less depreciation.

The carrying values of property, plant and equipment are written off on a straight-line basis over their expected useful lives using the following rates:

Buildings	2½ - 3 ⅓%
Furniture, fixtures and equipment	10 - 50%
Motor vehicles	20%
Leasehold improvements	Shorter of the life of the lease or the useful life of the asset

Land is not depreciated.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the group. Major renovations are depreciated over the remaining useful life of the related asset.

(f) Intangible assets

Brands
Brands are recorded at cost and represent the value of the consideration paid to acquire the well established and recognised pizza and fast food. This cost is amortised over 10 years which is the estimated useful life of the brand.

Goodwill
Goodwill is recorded at cost and represents the excess of the value of consideration paid over the fair value of the net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Franchise fees
Franchise fees are recorded at cost and represents consideration paid to operate each fast food store location. This cost is amortised over the life of the franchise agreement period which is 10 years.

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2. Significant Accounting Policies (Continued)

(f) Intangible assets (continued)

Contracts
Contracts are recorded at cost based and represents consideration paid for right to Bottler's Agreement. This cost is amortised over the life of the contract which is 3 years.

(g) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(h) Financial instruments

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

Financial assets
The company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables and available –for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated as fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date. These assets are classified as cash and short term investments and are included in current assets on the statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the year end. These are classified as non-current assets. Loans and receivables are classified as balances with related parties, long term receivables and trade and other receivables and are included in non-current and current assets in the statement of financial position. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date. These are classified as available-for-sale investments and are included in non-current assets.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

2. Significant Accounting Policies (Continued)

(h) Financial instruments (continued)

Available-for-sale (continued)
These instruments are included in level 1. Instruments included in level 1 comprise primarily JSE equity investments classified as available-for-sale.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has the express intention of holding the investment for less than twelve months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the company commits to purchase or sell the asset. The cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

Financial liabilities
The company's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

(i) Investment property
Investment property represents land. It is carried at cost.

(j) Inventories
Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials is determined using the weighted average cost method. The cost of work in progress and manufactured finished goods is determined using standard raw material cost, plus budgeted cost of labour and factory overheads, which approximates actual cost. The cost of finished goods purchased for resale is the suppliers' invoice price applied on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss in administration and other expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

2. Significant Accounting Policies (Continued)

(l) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition including cash balances, short term deposits, securities purchased under agreements to resell and bank overdrafts.

(m) Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are initially recognised at fair value and subsequently stated at amortised cost.

(n) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current borrowings. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(o) Borrowings and borrowings costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective yield method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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2. Significant Accounting Policies (Continued)

(p) Income taxes
Taxation expense in the income statement comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the year end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(q) Employee benefits

Pension obligations
The company participates in a defined contribution plan whereby it pays contributions to a privately administered fund. Once the contributions have been paid, the company has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and are included in staff costs.

Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the year end are discounted to present value.

Profit sharing plans
A liability for employee benefits in the form of profit sharing plans is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

(i) There is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or

(ii) Past practice has created a valid expectation by employees that they will receive a profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit sharing plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

Leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2. Significant Accounting Policies (Continued)

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed; the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(s) Dividends

Dividends are recorded as a deduction from equity in the period in which they are approved.

(t) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

3. Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

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

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board has established a Group Finance Department for managing and monitoring risks. This department is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the group. It identifies, evaluates and hedges financial risks in close co-operation with the group's operating units.

There has been no significant change to the group's exposure to financial risks or the manner in which it manages and measures risk.

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3. Financial Risk Management (Continued)

(a) Credit risk

The group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the group by failing to discharge their contractual obligations. Credit risk is an important risk for the group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the group's receivables from customers and investment activities. The group structures the levels of credit risk it undertakes by placing terms and limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

The group has a credit department whose responsibility involves regular analysis of the ability of customers and other counterparties to meet

(i) Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit department has established a credit policy under which each customer is analysed individually for creditworthiness prior to the group offering them a credit facility. Risky customers are required to provide a banker's guarantee and credit limits are assigned to each customer, which represents the maximum credit allowable without approval from the credit department; these are reviewed semi-annually. The group has procedures in place to restrict customer orders if the order will exceed their credit limits. Customers that fail to meet the group's benchmark creditworthiness may transact business with the group on a prepayment basis.

Customers' credit risks are monitored according to their credit characteristics such as whether the customer is an individual or company, industry, aging profile, and previous financial difficulties. Trade and other receivables relate mainly to the group's wholesale, retail and food service customers.

The group's average credit period on the sale of goods is 30 days. The group has provided fully for all receivables based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

The group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Receivables	2,278,465	1,879,636	2,272,206	1,950,799
Cash and short-term deposits	3,968,075	3,385,944	3,918,405	3,187,431
Available-for-sale investments	463,380	442,569	463,380	442,569
	6,709,920	5,708,149	6,653,991	5,580,799

The table above represents a worst case scenario of credit risk exposure at 30 June. During the year, the group did not renegotiate any trade receivables.

(i) Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than three months past due are not considered impaired. As of 30 June 2018, trade receivables of $678,634,000 (2017 - $381,307,000) and $678,634,000 (2017 - $372,096,000) were past due but not impaired for the Group and company respectively. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2018 **$'000**	**2017** **$'000**	**2018** **$'000**	**2017** **$'000**
31 to 60 days	491,427	333,364	491,427	332,519
60 to 90 days	159,504	39,954	159,504	39,577
90 days or more	27,703	7,989	27,703	-
	678,634	381,307	678,634	372,096

(ii) Trade receivable that are considered impaired.

As of 30 June 2018, trade receivables of $35,586,000 (2017 - $35,493,000) and $35,586,000 (2017 - $33,624,000) for the group and company, respectively, were impaired. The amount of the provision was $35,586,000 (2017 - $35,493,000) and $35,586,000 (2017 - $33,624,000) for the group and company, respectively. The individually impaired receivables mainly relate to wholesalers who are in unexpected, difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. These receivables are aged over 90 days.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(ii) Trade receivables that are considered impaired (continued)

Movements on the provision for impairment of trade receivables are as follows:

	Group		Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
At 1 July	35,493	35,216	33,624	33,347
Provision for receivables impairment	18,842	10,833	18,842	10,833
Transfer on reorganisation	(1,869)	-	-	-
Bad debt recovered/written off	(16,880)	(10,556)	(16,880)	(10,556)
At 30 June	35,586	35,493	35,586	33,624

The creation and release of provision for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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

(iii) Credit exposure for trade receivables

The following table summarises the group's and company's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	The Group		The Company	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Kingston & St. Andrew	762,344	849,824	762,344	849,824
South Central	293,065	226,021	293,065	226,021
North Eastern	263,372	209,216	263,372	209,216
Western	453,548	210,449	453,548	210,449
Other	117,998	59,663	117,998	48,406
	1,890,327	1,555,173	1,890,327	1,543,916
Less: Provision for credit losses	(35,586)	(35,493)	(35,586)	(33,624)
	1,854,741	1,519,680	1,854,741	1,510,292

The majority of trade receivables are receivable from customers in Jamaica.

3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Group Finance Department, includes:

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

(ii) Maintaining committed lines of credit;

(iii) Optimising cash returns on investment;

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

The company is contingently liable to its bankers in respect of guarantees in the ordinary course of business totaling approximately $16,000,000 (2017 - $11,500,000).

Financial liabilities cash flows

The tables below summarises the maturity profile of the group's and company's financial liabilities at 30 June based on contractual undiscounted payments at contractual maturity dates.

	The Group					
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000	$'000	$'000
			2018			
Liabilities						
Borrowings	146,949	40,969	420,551	2,539,526	-	3,147,995
Trade and other payables	1,903,683	1,008,776	720,256	-	-	3,632,715
Total financial liabilities	2,050,632	1,049,745	1,140,807	2,539,526	-	6,780,710

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term deposits.

	The Group					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
			2017			
Liabilities						
Borrowings	97,301	67,808	454,901	2,150,489	156,992	2,927,491
Trade and other payables	2,509,204	429,059	-	-	-	2,938,263
Due to parent company	-	-	272,732	-	-	272,732
Total financial liabilities	2,606,505	496,867	727,633	2,150,489	156,992	6,138,486

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
			2018			
Liabilities						
Borrowings	146,949	40,969	420,551	2,539,526	-	3,147,995
Trade and other payables	1,903,683	1,008,776	701,334	-	-	3,613,793
Total financial liabilities	2,050,632	1,049,745	1,121,885	2,539,526	-	6,761,788

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (continued)

	The Company					
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
			2017			
Liabilities						
Borrowings	91,129	48,812	418,681	2,046,569	156,992	2,762,183
Trade and other payables	2,441,476	417,791	-	-	-	2,859,267
Due to parent company	-	-	272,732	-	-	272,732
Total financial liabilities	2,532,605	466,603	691,413	2,046,569	156,992	5,894,182

(c) Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Group Finance Department. Market risk exposures are measured using sensitivity analysis.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group is exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

Concentrations of currency risk

The Group and company has accounts receivable, cash and deposits net of accounts payable denominated in United States dollars, amounting to an asset of J$897,878,000 and J$854,406,000 at 30 June 2018 and (2017 J$1,676,344,000 and J$1,537,083,000) respectively. The Group and company also has cash and deposits denominated in Euros, amounting to an asset of J$82,591,000 (2017 - J$315,612,000).

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and Company had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a reasonably expected change in foreign currency rates. The sensitivity of the profit was primarily as a result of foreign exchange gains and losses on translation of trade receivables and payables.

The Group

	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
		2018		2017
	%	$'000	%	$'000
Currency:				
USD	+2	17,958	+1	(16,763)
USD	-4	(35,915)	-6	100,581
EURO	+2	1,652	+1	(3,156)
EURO	-4	(3,304)	-6	18,937

The Company

	% Change in Currency Rate	Effect on Profit before Taxation	% Change in Currency Rate	Effect on Profit before Taxation
		2018		2017
	%	$'000	%	$'000
Currency:				
USD	+2	17,008	+1%	(15,371)
USD	-4	(34,176)	-6%	92,225
EURO	+2	1,652	+1%	(3,156)
EURO	-4	(3,304)	-6%	18,937

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

The group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The following tables summarises the exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				2018			
Assets							
Available-for-sale investments	-	-	269,530	193,850	-	21,910	485,290
Receivables	-	-	-	-	-	2,278,465	2,278,465
Cash and short-term deposits	2,700,539	1,267,060	-	-	-	476	3,968,075
Total financial assets	2,700,539	1,267,060	269,530	193,850	-	2,300,851	6,731,830
Liabilities							
Borrowings	129,058	5,358	278,536	2,133,672	-	-	2,546,623
Trade and other payables	-	-	-	-	-	3,632,715	3,632,715
Total financial liabilities	129,058	5,358	278,536	2,133,672	-	3,632,715	6,179,338
Total interest repricing gap	2,571,481	1,261,702	(9,006)	(1,939,822)	-	(1,331,864)	552,492

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
	2017						
Assets							
Available-for-sale investments	-	184,386	258,183	-	-	35,269	477,838
Receivables	-	-	-	-	-	1,879,636	1,879,636
Cash and short-term deposits	2,437,219	948,254	-	-	-	471	3,385,944
Total financial assets	2,437,219	1,132,640	258,183	-	-	1,915,376	5,743,418
Liabilities							
Borrowings	80,500	33,394	317,994	1,711,702	152,000	-	2,295,590
Trade and other payables	-	-	-	-	-	2,938,263	2,938,263
Due to parent company	-	-	259,745	-	-	-	259,745
Total financial liabilities	80,500	33,394	577,739	1,711,702	152,000	2,938,263	5,493,598
Total interest repricing gap	2,356,719	1,099,246	(319,556)	(1,711,702)	(152,000)	(1,022,887)	249,820

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
	2018						
Assets							
Available-for-sale investments	-	-	269,530	193,850	-	21,910	485,290
Receivables	-	-	-	-	-	2,272,206	2,272,206
Cash and short-term deposits	2,650,869	1,267,060	-	-	-	476	3,918,405
Due from parent company	-	-	-	-		1,898	1,898
Total financial assets	2,650,869	1,267,060	269,530	193,850	-	2,296,490	6,677,799
Liabilities							
Borrowings	129,058	5,358	278,536	2,133,672	-	-	2,546,623
Trade and other payables	-	-	-	-	-	3,613,793	3,613,793
Total financial liabilities	129,058	5,358	278,536	2,133,672	-	3,613,793	6,160,416
Total interest repricing gap	2,521,811	1,261,702	(9,006)	(1,939,822)	-	(1,317,303)	517,383

Wisynco Group Limited
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $,000	Non-Interest Bearing $'000	Total $'000
				2017			
Assets							
Available-for-sale investments	-	184,386	258,183	-	-	35,269	477,838
Receivables	-	-	-	-	-	1,950,799	1,950,799
Cash and short-term deposits	2,238,706	948,254	-	-	-	471	3,187,431
Total financial assets	2,238,706	1,132,640	258,183	-	-	1,986,539	5,616,068
Liabilities							
Borrowings	75,499	18,131	288,839	1,620,989	152,000	-	2,155,458
Trade and other payables	-	-	-	-	-	2,858,267	2,859,267
Due to parent company	-	-	259,745	-	-	-	259,745
Total financial liabilities	75,499	18,131	548,584	1,620,989	152,000	2,858,267	5,274,470
Total interest repricing gap	2,163,207	1,114,509	(290,401)	(1,620,989)	(152,000)	(871,728)	341,598

Interest rate sensitivity

The group and company have no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of equity investments held and classified on the statement of financial position as available for sale. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact of a 15% (2017: 10%) change in the quoted prices for these equities would be an increase or decrease in the carrying value of $3,287,000 (2017: $3,527,000) in income and $3,287,000 (2017: $3,257,000) in other comprehensive income.

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Capital management

The Group manages its capital resources according to the following objectives:

(i) To continue as a going concern in order to provide benefits for stakeholders;

(ii) To maintain a strong capital base which is sufficient for the future development of the Group's operations;

(iii) To comply with capital requirements as stipulated by loan covenants

The group is exposed to externally imposed capital requirements as a result of loans issued by specific financial institutions as follows:

	Required	Actual 2018	Actual 2017
Minimum current assets to current liabilities	1.20:1	1.89:1	1.9:1
Maximum debt to equity ratio	2.33:1	0.28:1	0.75: 1
Minimum interest cover	2.9 times	17.8 times	20.3 times
Minimum debt service coverage margin	2.0 times	7.30 times	4.02 times

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3. Financial Risk Management (Continued)

(e) Fair value estimation
Financial instruments that are measured in the statement of financial position at fair value are classified by level in one of the following fair value measurement hierarchy:

- Level 1 includes those instruments which are measured based on quoted prices in active markets for identical assets or liabilities.
- Level 2 includes those instruments which are measured using inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 includes those instruments which are measured using valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The group's financial instruments classified as available-for-sale investments are disclosed in (Note 17). Unquoted available-for-sale investments are classified as level 2 and quoted instruments are classified as level 1.

The amounts included in the financial statements for cash and short-term deposits, receivables, payables, short-term loans and due to parent company reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value of long term borrowings approximates carrying value as the contractual cash flows are at current market interest rates that are available to the group for similar financial instruments.

Fair value of land
The fair value of land disclosed in Note 18 would be classified as Level 3.

There were no transfers between the Levels.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
		30 June 2018		
Investments classified as available-for-sale –				
Quoted equities	16,692	100	-	16,792
Unquoted equities	-	-	5,018	5,018
Corporate bonds	-	463,480	-	463,480
	16,692	463,580	5,018	485,290

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
		30 June 2017		
Investments classified as available-for-sale –				
Quoted equities	30,151	100	-	30,251
Unquoted equities	-	-	5,018	5,018
Corporate bonds	-	442,569	-	442,569
	30,151	442,669	5,018	477,838

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, management has not made any judgements that would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes
Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provision for impairment of trade receivables
Periodically, the company assesses the collectibility of its trade receivables. Provisions are created or increased as described in Note 2(k). This, however, does not necessarily mean that the company will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible at period end may subsequently go bad.

Estimated impairment of goodwill and brands
The group tests annually whether goodwill and brands have suffered any impairment, in accordance with the accounting policy stated in Note 2(f). The assessment of goodwill and brand impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rates. Any changes in these variables would impact the value in use calculations. Management has determined that a reasonably possible change in key assumptions, namely increase or decrease of two percentage points to the discount rate and increase or decrease of two percentage points to the revenue growth rate would not cause the aggregate carrying amount to exceed the aggregate recoverable amount. Goodwill arising from the Group's interest in Wisynco Foods Limited was derecognized during the year as a result of the reconstruction of the group (Note 11).

Associates
The Group held 50% of the voting rights of Fusion Holdings Limited up to 30 October 2017, at which point the Group's interest were transferred under a reconstruction scheme (Note 11). Management has assessed that it did not have control over this entity as under its contractual arrangements with the other shareholder, unanimous consent was required from all parties to the agreements for all relevant activities. The Group had therefore equity accounted for its share of the results of Fusion Holdings Limited as an associated company.

Wisynco Group Limited

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5. Other Operating Income

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Bad debts recovered	8,437	8,315	8,437	8,315
Discount received	24,564	33,339	24,564	33,339
Rebates	28,672	28,403	28,672	28,403
Gain on disposal of property, plant and equipment	4,397	1,029	4,397	1,524
Insurance proceeds – warehouse	-	479,849	-	479,849
Insurance proceeds – business interruption	-	156,623	-	156,623
Other	26,087	35,980	19,327	28,743
	92,157	743,538	85,397	736,796

During 2016, the Company had a fire incident, the related insurance proceeds represents funds received for business interruption, loss of warehouse building, solar panels and inventory totalling Nil (2017- $636,472,000).

6. Expenses by Nature

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Advertising costs	610,105	856,899	610,105	856,899
Audit fees	11,422	8,486	11,422	8,486
Bad debt expense	18,960	12,526	18,960	12,526
Commissions and discounts	179,558	178,219	179,558	178,219
Cost of inventory recognised as expense	12,228,143	10,814,186	12,228,143	10,814,186
Delivery and motor vehicle expense	1,295,233	1,164,176	1,295,233	1,164,176
Directors fees	12,829	18,000	12,829	18,000
Insurance	51,121	270,477	173,756	153,360
Property expenses, including depreciation	1,625,409	1,354,946	1,625,409	1,354,946
Royalties	37,366	16,319	37,366	16,319
Staff costs (Note 7)	3,768,499	3,217,534	3,768,499	3,217,534
Utilities	670,768	579,670	670,768	579,670
Other operating expenses	1,281,015	1,082,045	1,113,993	1,076,272
	21,790,428	19,573,483	21,746,041	19,450,593

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7. Staff Costs

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Wages and salaries	3,080,264	2,609,428	3,080,264	2,609,428
Statutory contributions	333,190	279,539	333,190	279,539
Pension contributions (Note 31)	125,885	101,866	125,885	101,866
Termination costs	8,199	1,115	8,199	1,115
Other	220,961	225,586	220,961	225,586
	3,768,499	3,217,534	3,768,499	3,217,534

8. Finance Income

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Dividend income	1,487	3,101	1,487	3,101
Interest income	68,491	71,736	68,491	71,736
Gain on sale of investment	10,476	10,805	10,476	10,805
Foreign exchange gains	50,383	74,323	50,383	74,323
	130,837	159,965	130,837	159,965

9. Finance Costs

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Interest expense -				
Bank borrowings and finance leases	203,497	158,678	203,497	158,678
Finance charges and non interest fees	7,914	11,068	7,914	11,068
	211,411	169,746	211,411	169,746

Wisynco Group Limited

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10. Taxation

The taxation charge is computed on the profit for the year, adjusted for tax purposes, and comprises income tax at 25%:

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Current income tax	469,969	416,794	469,969	416,794
Deferred income tax (Note 29)	43,865	(38,900)	43,865	(38,900)
Adjustment to prior year estimate	-	(91,582)	-	(91,582)
	513,834	286,312	513,834	286,312
Tax expense attributable to:				
Profit from continuing operations	513,834	286,312	513,834	286,312
Profit from discontinued operations	4,057	(36,325)	-	-
	517,891	249,987	513,834	286,312

The tax on the group's and company's profit differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
		Restated		
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Profit before tax from continuing operations	2,765,204	2,541,939	2,773,616	2,524,189
Profit before tax from discontinued operations	45,612	154,520	-	-
	2,810,816	2,696,459	2,773,616	2,524,189
Tax calculated at applicable tax rate on continuing operations	691,301	635,369	693,404	631,047
Adjusted for the effects of:				
Income not subject to tax	(15,311)	(144,074)	(10,990)	(139,752)
Expenses not deductible for tax purposes	30,176	19,919	23,752	19,919
Adjustment to prior year estimate – current tax	-	(91,582)	-	(91,582)
Adjustment to prior year estimate – deferred tax	-	(55,226)	-	(55,226)
Tax credit	(194,999)	(78,880)	(194,999)	(78,880)
Other	2,667	786	2,667	786
Tax expense from continuing operations	513,834	286,312	513,834	286,312

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11. Reconstruction/Discontinued Operations

On 30 October 2017, the Company effected a Scheme of Reconstruction ('the reconstruction") approved by the Tax Administration Jamaica under the laws of Jamaica. This resulted in the Company retaining its core businesses along with the operations of its subsidiary Indies Insurance Company Limited. The ownership of the other subsidiaries namely Wisynco Foods Limited and Seville Development Corporation Limited were transferred to separate legal entities of the ultimate parent company.

Additionally, the shareholdings of Fusion Holdings Limited was also transferred to the ultimate parent company.

As a result of this reconstruction effective 30 October 2017 these entities are no longer a part of the Wisynco Group Limited and are a deemed disposal.

The net assets of the entities involved in the reconstruction at 30 October 2017 transferred to the owners were as follows:

The financial performance and cash flow information presented at June 30, 2018 are as follows:

	2018 $'000	2017 $'000
Revenue	595,457	1,671,002
Cost of sales	(390,977)	(1,083,743)
Gross Profit	204,480	587,259
Other income	1,255	4,892
Administrative and other expenses	(180,530)	(511,385)
Operating profit	25,205	80,766
Finance income	(1,220)	3,128
Finance cost	(4,892)	(10,469)
Profit before taxation	19,093	73,425
Taxation	(4,057)	36,325
Net profit after tax from discontinued operations	15,036	109,750
Share of results of associate	26,519	81,095
Profit for the period from discontinued operations	41,555	190,845

11. Reconstruction/Discontinued Operations (Continued)

	2018 $'000
Operating cash flows	31,910
Investing cash flows	(48,447)
Financing cash flows	(15,373)
Net cash flows	31,910

Details of the net assets of the subsidiaries and associates transferred to owners

	2018 $'000
Intangible Asset	15,879
Property, plant and equipment	330,280
Investment property	13,449
Deferred tax asset	50,706
Receivables	86,438
Inventories	18,098
Cash and short-term deposits	135,108
Payables	(241,907)
Borrowings	(119,868)
Net assets disposed	288,183
Cost of investment transferred (net)	467,670
Share of associate's profits	261,875
Transfer to owners	1,017,728

No consideration was received on derecognition of these entities. The transaction was deemed to be between shareholders, the effects of which are recorded in equity. The amount of $582,552,000 transferred from the company represents the carrying value of investment in subsidiaries and associates at the date of transfer. The non-controlling interest of $5,704,000, was also derecognised as a result of the reconstruction.

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12. Earnings Per Share

Earnings per share is calculated on net profit and is based on the weighted average number of ordinary shares in issue during both years.

	2018	2017 Restated
Net profit attributable to ordinary shareholders from continuing operations ($'000)	2,251,370	2,255,627
Net profit attributable to ordinary shareholders from discontinued operations ($'000)	41,591	190,865
Net profit attributable to ordinary shareholders ($'000)	2,292,961	2,446,492
Weighted average number of ordinary shares in issue ('000)	3,687,744	3,600,583
Basic earnings per share from continuing operations ($)	0.61	0.63
Basic earnings per share from discontinued operations ($)	0.01	0.05
Basic earnings per share ($)	0.62	0.68

The Company has no dilutive potential ordinary shares.

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13. Related Party Transactions and Balances

The following companies are related parties by virtue of:

Being a subsidiary of the company:
Indies Insurance Company

Holding shares in the company:
Wisynco Group Caribbean Limited
Caribbean Bottlers Limited

Affiliates:
Affiliates comprise companies over which the immediate parent has control. During the year Wisynco Foods Limited and Seville Development Corporation Limited and Fusion Holdings Limited and its major subsidiaries, Trade Winds Citrus Limited and United Estates Limited ceased being subsidiaries and associate respectively, and became affiliates from reconstruction scheme as disclosed in Note 11.

The company entered into the following significant transactions with related parties during the year:

(a) Transactions	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Sales				
Wisynco Foods Limited	727,582	-	727,582	618,780
Purchases				
Trade Winds Citrus Limited	3,305,623	2,771,089	3,329,164	2,771,089
Wisynco Foods Limited	1,816	-	1,816	2,364
Insurance Expense	16,142	-	144,713	101,842
Interest expense				
Seville Development Corporation Limited	232	-	232	314
Wisynco Group Caribbean Limited	-	12,987	-	12,987

	The Company	
	2018	2017
	$'000	$'000
Rebates –		
Wisynco Foods Limited	3,774	3,133
Management Fees –		
Wisynco Foods Limited	7,473	-
Royalties -		
Trade Winds	37,366	16,319

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13. Related Party Transactions and Balances (continued)

(b) Year-end balances

Receivables (Note 21)	**The Group**		**The Company**	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Receivables from subsidiary -				
Indies Insurance Company Limited	-	-	3,164	-
Wisynco Foods Limited	-	-	-	117,337
Receivables from affiliates -				
Trade Winds Citrus	39,096	29,869	39,096	29,869
Wisynco Foods Limited	138,543	-	138,543	-
Other affiliates	1,967	1,975	1,967	1,975
Receivable from parent company	1,898	-	1,898	-
Included in receivables and prepayments	181,504	31,844	184,668	149,181

Payables (Note 23)	**The Group**		**The Company**	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Payables to subsidiaries -				
Seville Development Corporation Limited	-	-	-	26,928
Indies Insurance Company	-	-	-	339
Wisynco Foods Limited	-	-	-	311
Payables to affiliate -				
Trade Winds Citrus Limited	529,842	391,594	529,842	391,522
Seville Development Corporation Limited	26,592	-	26,592	-
Other affiliates	6,188	-	6,188	-
	562,622	391594	562,622	419,100
Payable to director	-	-	97	361
Payables to parent company -				
Wisynco Group Caribbean Limited	-	38,000	-	38,000
Included in trade and other payables	562,622	429,594	562,719	457,461

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13. Related Party Transactions and Balances (Continued)

(c) Key management compensation

	The Group and Company	
	2018	**2017**
	$'000	**$'000**
Salaries and other short-term employee benefits	236,573	177,923
Statutory contributions	11,561	9,064
Pension benefits	12,218	7,418
	260,352	194,405
Directors' emoluments –		
Management remuneration (included above)	260,352	194,405
Fees	12,829	18,000

(d) Loans from related parties

	The Group and Company	
	2018	**2017**
	$'000	**$'000**
Wisynco Group (Caribbean) Limited -		
At beginning of year	259,745	259,745
Payments made	(264,074)	(11,039)
Interest charged	4,329	11,039
Included in non-current borrowings (Note 24)	-	259,745

(e) Dividends declared

	The Group and Company	
	2018	**2017**
	$'000	**$'000**
Parent company	1,178,705	1,131,357
Key management	26,177	23,601
	1,204,882	1,154,957

During the year, the Group listed its shares on the Jamaica Stock Exchange through an Initial Public Offering (IPO); related parties held all shares prior to the IPO. Total dividends is disclosed in Note 33.

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14. Property, Plant and Equipment

The Group

	Land and Buildings $'000	Furniture, Fixtures & Equipment $'000	Motor Vehicles $'000	Leasehold Improvements $'000	Work in Progress $'000	Total $'000
Cost -						
At 1 July 2016	1,494,522	4,264,806	383,873	148,868	-	6,292,069
Additions	1,454,011	781,763	132,242	57,056	-	2,425,072
Disposals	(763)	(48,559)	(3,596)	(1,994)	-	(54,912)
At 30 June 2017	2,947,770	4,998,010	512,519	203,930	-	8,662,229
Additions	127,604	1,348,211	158,723	42,016	1,052,102	2,728,656
Disposals	-	(1,434)	(16,090)	-	-	(17,524)
Disposals on reorganisation	-	(412,668)	(2,998)	(226,914)	-	(642,580)
At 30 June 2018	3,075,374	5,932,119	652,154	19,032	1,052,102	10,730,781
Depreciation -						
At 1 July 2016	271,396	2,468,382	136,542	51,514	-	2,927,834
Charge for the year	46,336	474,120	59,465	9,478	-	589,399
Relieved on disposal	(636)	(24,622)	(3,524)	(1,960)	-	(30,742)
At 30 June 2017	317,096	2,917,880	192,483	59,032	-	3,486,491
Charge for the year	90,958	570,014	102,338	30,941	-	794,251
Relieved on disposal	-	-	(13,388)	-	-	(13,388)
Disposal on reorganisation	-	(239,726)	(1,633)	(70,941)	-	(312,300)
At 30 June 2018	408,054	3,248,168	279,800	19,032	-	3,955,054
Net Book Value -						
30 June 2018	2,667,320	2,683,951	372,354	-	1,052,102	6,775,727
30 June 2017	2,630,674	2,080,130	320,036	144,898	-	5,175,738

Included in depreciation charges are amounts in respect of discontinued operations of $18,878,000 (2017: $39,125,000).

The carrying amount of property, plant and equipment pledged as security for current and non current finance lease liability amounted to $50,464,000 (2017 – 239,607,000).

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14. Property, Plant and Equipment (Continued)

	The Company					
	Land and Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Leasehold Improvements	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost -						
At 1 July 2016	1,494,522	3,934,042	378,893	19,066	-	5,826,523
Additions	1,454,011	701,169	132,242	-	-	2,287,422
Disposals	(763)	(43,106)	(2,100)	(34)	-	(46,003)
At 30 June 2017	2,947,770	4,592,105	509,035	19,032	-	8,067,942
Additions	127,604	1,341,448	159,209	-	1,052,102	2,680,363
Disposals	-	(1,434)	(16,090)	-	-	(17,524)
At 30 June 2018	3,075,374	5,932,119	652,154	19,032	1,052,102	10,730,781
Depreciation -						
At 1 July 2016	271,395	2,254,229	134,286	19,032	-	2,678,942
Charge for the year	46,336	431,640	58,831	-	-	536,807
Relieved on disposal	(636)	(19,592)	(2,100)	-	-	(22,328)
At 30 June 2017	317,095	2,666,277	191,017	19,032	-	3,193,421
Charge for the year	90,959	581,891	102,171	-	-	775,021
Relieved on disposal	-	-	(13,388)	-	-	(13,388)
At 30 June 2018	408,054	3,248,168	279,800	19,032	-	3,955,054
Net Book Value -						
30 June 2018	2,667,320	2,683,951	372,354	-	1,052,102	6,775,727
30 June 2017	2,630,675	1,925,828	318,018	-	-	4,874,521

The carrying amount of property, plant and equipment pledged as security for current and non current finance lease liability amounted to $50,464,000 (2017 – 106,762,000).

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15. Investment in Subsidiaries

	The Company	
	2018	2017
	$'000	$'000
Seville Development Corporation Limited – 85%		
323,981 (2017 – 323,981) Ordinary shares, fully paid	-	32,303
Wisynco Foods Limited – 100%		
1,000 (2017– 1,000) Ordinary shares, fully paid	-	120,756
Indies Insurance Company – 100%		
50,000 Ordinary shares, fully paid	11,375	11,375
	11,375	164,434

The shareholdings of Seville Development Corporation Limited and Wisynco Foods Limited were transferred under a reconstruction scheme as disclosed Note 11.

16. Investments in Associates

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
At beginning of year	664,854	583,759	429,498	429,498
Amounts recognised in the income statement	26,519	81,095	-	-
Transferred through reconstruction scheme (Note 11)	(691,373)	-	(429,498)	-
Amounts recognised in the statement of financial position	-	664,854	-	429,498

The Group owned 50% of the share capital in Fusion Holdings Limited (FHL) until 30 October 2017 when the Group's interest was transferred through reconstruction as disclosed in Note 11. FHL is one of the main manufacturers of juices and sells its products mainly through distributors.

FHL is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interest in FHL.

Included in the amounts above prior to the reconstruction was the entity's share of intangible brands of $203,426,000 which were deemed to be indefinite life intangible assets.

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16. Investments in Associates (Continued)

The summarised information for FHL that was accounted for using the equity method as at 30 October 2017 and 30 June 2017 is as follows:

Summarised statement of financial position

	Group 2018 $'000	Group 2017 $'000
Current		
Cash and cash equivalents	89,900	98,424
Other current assets (excluding cash)	1,632,303	1,239,230
Total current net assets	1,722,203	1,337,654
Other current liabilities (including trade payables)	792,897	650,473
Total current liabilities	792,897	650,473
Non-current		
Assets	3,517,690	3,959,688
Total non-current liabilities	2,683,374	2,941,346
Net assets	1,763,622	1,705,523

Summarised income statement

	Group 2018 $'000	Group 2017 $'000
Revenue	1,341,560	3,744,747
Depreciation	65,220	127,674
Interest income	10,760	67,460
Interest expense	52,826	63,220
Profit before income tax	53,038	169,291
Taxation expense	-	7,101
Profit after tax	53,038	162,190
Total comprehensive income	53,038	162,190

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16. Investments in Associates (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

	Group 2018 $'000	Group 2017 $'000
Summarised financial information		
Opening net assets at 1 July	1,517,677	1,355,487
Profit for the period	53,038	162,190
Net assets transferred through reconstruction	(1,570,715)	-
Closing net assets	-	1,517,677
Interest in associates (%)	-	50%
Interest in associates (J$)	-	758,839
Carrying value	-	664,854
Interest in associate transferred through reconstruction	785,358	-
Carrying value transferred through reconstruction	691,373	-

The carrying value transferred through reconstruction as disclosed in Note 11 is as follows:

	$'000
Investment in associate at cost	429,498
Share of associate's post acquisition reserves as at 30 June 2017	235,356
Current year share of results of associate	26,519
Share of associate's post acquisition reserves as at 30 October 2017	261,875
	691,373

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17. Intangible Assets

The carrying value of intangible assets was determined as follows:

	The Group				
	Goodwill $'000	Franchise Fees $'000	Brands $'000	Contracts $'000	Total $'000
Cost -					
At 1 July 2016	38,070	14,668	118,516	41,900	213,154
Additions	-	6,565	-	-	6,565
At 30 June 2017	38,070	21,233	118,516	41,900	219,719
Disposal on reorganisation	(38,070)	(21,233)	(118,516)	-	(177,819)
At 30 June 2018	-	-	-	41,900	41,900
Amortisation -					
1 July 2016	-	3,009	104,296	41,900	149,205
Amortisation	-	1,876	11,852	-	13,728
At 30 June 2017	-	4,885	116,148	41,900	162,933
Amortisation	-	885	2,368	-	3,253
Disposal on reorganisation	-	(5,770)	(118,516)	-	(124,286)
At 30 June 2018	-	-	-	41,900	41,900
Net Book Amount					
30 June 2018	-	-	-	-	-
30 June 2017	38,070	16,348	2,368	-	56,786

The amortisation of intangible assets is included in administration expenses in the profit or loss. Included in amortisation charges for the Group are amounts in respect of discontinued operations of of $3,253,000 (2017 – $13,728,000).

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17. Intangible Assets (Continued)

Impairment tests for goodwill
The group determines whether goodwill is impaired at least on an annual basis or when events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to fair value less cost to sell. Estimating the fair value less cost to sell requires the group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows. The group allocated the goodwill to the Fast Food cash generating unit (CGU).

The goodwill recorded by the Group is based on its investment in Wisynco Foods Limited which is no longer a subsidiary based on the reconstruction during the year (Note 11). As at 30 October 2017, management tested for impairment the goodwill allocated to the CGU, no impairment was recognised.

The recoverable amount of a CGU is determined based on fair value less cost to sell. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value in use calculations:

	Revenue Growth Rate	**Discount Rate**
Fast Food	4%-5%	18%

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18. Available-for-Sale Investments

	The Group and Company	
	2018	2017
	$'000	$'000
At beginning of year	293,452	229,426
Additions	203,873	260,295
Disposals	(15,763)	(7,539)
Fair value gains/(losses) charged to fair value reserve	3,728	(4,344)
	485,290	477,838
Current portion	(269,530)	(184,386)
At end of year	215,760	293,452
Quoted	16,792	30,251
Unquoted	468,494	447,587

19. Investment Property

This represents land held and is estimated by the directors to be valued between US$2 million and US$4 million. The Group held investment property, through former subsidiary Seville Development Corporation Limited which is no longer part of the Group based on its reconstruction during the year (Note 11).

20. Inventories

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Raw materials	855,571	748,176	855,571	744,971
Finished goods	152,914	139,745	152,914	139,745
Merchandise for resale	786,405	636,944	786,405	622,679
	1,794,890	1,524,865	1,794,890	1,507,395
Less: Provision for obsolete inventories	(22,752)	(29,780)	(22,752)	(29,780)
	1,772,138	1,495,085	1,772,138	1,477,615
Goods-in-transit	427,135	462,767	427,135	462,767
	2,199,273	1,957,852	2,199,273	1,940,382

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21. Receivables

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	1,890,327	1,555,173	1,890,327	1,543,916
Less: Provision for doubtful debts	(35,586)	(35,493)	(35,586)	(33,624)
Trade receivables, net	1,854,741	1,519,680	1,854,741	1,510,292
Prepayments	22,329	30,438	19,308	27,811
Receivables from related parties (Note 13(b))	181,504	31,844	184,668	149,181
Principal receivables	152,033	238,275	152,033	238,275
Other receivables	92,086	89,838	80,765	53,051
	2,302,693	1,910,075	2,291,515	1,978,610

22. Cash and Cash Equivalents

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances	1,371,722	1,113,662	1,322,052	915,149
Short-term deposits	2,596,353	2,272,282	2,596,353	2,272,282
	3,968,075	3,385,944	3,918,405	3,187,431
Bank overdrafts (Note 24)	(50,412)	(71,986)	(50,412)	(71,986)
	3,917,663	3,313,958	3,867,993	3,115,445

The weighted average effective interest rates on cash and short-term bank deposits at the year-end are as follows:

	2018	**2017**
	%	**%**
Short-term deposits –		
J$	2.63	6.00
US$	2.50	2.25

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23. Payables

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables	2,292,861	1,857,354	2,292,130	1,797,567
Statutory contributions payable	54,802	47,464	54,802	47,464
Accrued expenses	638,978	431,735	638,978	411,959
Insurance payable	-	121,549	-	121,549
Payables to related parties (Note 13 (b))	562,622	430,222	562,719	457,461
Other payables	324,641	297,921	306,352	257,489
	3,873,904	3,186,245	3,854,981	3,093,489

24. Borrowings

(a) Composition of borrowings

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Total borrowings -				
Bank loans -				
Long term	2,473,000	2,022,222	2,473,000	2,022,222
Finance leases	23,211	201,382	23,211	61,250
Bank overdraft	50,412	71,986	50,412	71,986
	2,546,623	2,295,590	2,546,623	2,155,458
Related party loans	-	259,745	-	259,745
	2,546,623	2,555,335	2,546,623	2,415,203
Current -				
Bank overdraft (Note 22)	(50,412)	(71,986)	(50,412)	(71,986)
Current portion of finance leases	(22,274)	(88,410)	(22,274)	(38,039)
Current portion of long term loans	(304,000)	(272,444)	(304,000)	(272,444)
	(376,686)	(432,840)	(376,686)	(382,469)
Related party loans	-	(259,745)	-	(259,745)
Total current borrowings	(376,686)	(692,585)	(376,686)	(642,214)
Non-current borrowings	2,169,937	1,862,750	2,169,937	1,772,989

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24. Borrowings (Continued)

(a) Composition of borrowings (continued)

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Non-current -				
Bank of Nova Scotia (7.9%, 2023)	725,000	-	725,000	-
MF&G Trust (10% - 11.5%)	23,211	201,382	23,211	61,250
National Commercial Bank (8.75% -9.563%, 2018-2023)	1,748,000	2,022,222	1,748,000	2,022,222
Wisynco Group Caribbean Limited (Note 12(f))	-	259,745	-	259,745
	2,496,211	2,483,349	2,496,211	2,343,217
Less: Current portion	(326,274)	(620,599)	(326,274)	(570,228)
	2,169,937	1,862,750	2,169,937	1,772,989

Non-current borrowings
All loans held by the company are unsecured.

The loan from Wisynco Group (Caribbean) Limited represents promissory notes which were repaid during the year.

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24. Borrowings (Continued)

(a) Composition of borrowings (continued)

Finance lease liabilities – minimum lease payments

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Not later than 1 year	22,958	103,726	22,958	42,339
Later than 1 year and not later than 5 years	928	128,243	928	24,323
	23,886	231,969	23,886	66,662
Future finance charges on finance leases	(675)	(30,587)	(675)	(5,412)
Present value of finance lease liabilities	23,211	201,382	23,211	61,250

The present value of the finance lease liabilities is as follows:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Not later than 1 year	22,290	88,410	22,290	38,039
Later than 1 year and not later than 5 years	921	112,972	921	23,211
	23,211	201,382	23,211	61,250

24. Borrowings (Continued)

(b) Interest rate risk exposure

The weighted average effective interest rates on borrowings at the year-end were as follows:

	The Group and Company	
	2018	**2017**
	%	**%**
Current -		
Bank overdraft	39.75	10.00
Other	7.90 – 8.75	8.75 – 9.56
Non-current -		
Bank borrowings	7.90 – 8.75	8.75 - 9.56
Finance leases	10	10.00 – 11.00
Loans from related parties	-	5.00

25. Share Capital

	2018	**2017**
	$'000	**$'000**
Authorised –		
4,000,000,000 (2017 – 4,000,000,000) Ordinary shares		
Issued and fully paid –		
3,750,000,000 (2017 – 3,600,585,000) Ordinary shares at no par value	1,192,647	57,927

Consequent upon the decision to publicly list in December 2017, the authorised ordinary shares were increased from 1,100,000 to 4,000,000,000. The issued shares were then each sub-divided into 3,382 shares, increasing the total issued from 1,064,632 to 3,600,585,424. The Group made available for purchase a further 149,414,576 shares, bringing the issued shares to 3,750,000,000. The proceeds of sale of the Group's shares amounted to $1,134,720,000 net of transaction costs of $36,984,000.

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26. Capital Reserve

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Realised gains	24,998	23,820	24,998	24,998
Redemption of preference shares	-	299	-	-
Unrealised surplus on revaluation of land and buildings	72,740	72,740	72,740	72,740
Fair value gains on available-for-sale investments	22,208	19,358	22,208	19,358
	119,946	116,218	119,946	117,097

Realised gains
This represents realised gains on sale of assets.

Unrealised surplus on revaluation of land and building
This represents freehold land and buildings which were valued in 1993 by Stoppi Cairney Bloomfield and the resulting revaluation surplus of $126,400,000 was credited to capital reserve. The revalued amounts were used as the deemed cost of these assets, upon transition to IFRS.

Fair value gains on available-for-sale investments
This represents the fair value of quoted equity instruments.

27. Net Profit/Retained Earnings

	The Group	
	2018	**2017**
	$'000	**$'000**
At beginning of year	7,377,182	6,134,911
Net profit attributable to:		
Company	2,259,782	2,237,877
Subsidiaries	(8,376)	29,622
Discontinued operations - subsidiaries	15,036	97,898
Discontinued operations - associate	26,519	81,095
	2,292,961	2,446,492
Dividends	(1,304,933)	(1,204,221)
Transfer to owners consequent on reorganization (Note 11)	(1,017,728)	-
At end of year	7,347,482	7,377,182

28. Non-Controlling Interest

	The Group	
	2018	**2017**
	$'000	**$'000**
At beginning of year	5,740	5,760
Share of net loss of the subsidiary	(36)	(20)
Transferred through reconstruction (Note 11)	(5,704)	-
At end of year	-	5,740

This represents the non-controlling interest's 15% share of the subsidiary Seville Development Corporation Limited. The Group transferred its 85% share in Seville Development Corporation during the year through a reconstruction scheme as disclosed in (Note 11).

29. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
At the beginning of the year	162,859	258,774	213,565	252,465
Transferred through reconstruction (Note 11)	50,706	-	-	-
Charged/(credited) to income profit or loss (Note 10)	43,865	(95,915)	43,865	(38,900)
At end of year	257,430	162,859	257,430	213,565

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29. Deferred Income Taxes (Continued)

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax liabilities

	The Group			
	Finance lease	Excess of Capital Allowances over Depreciation	Unrealised Foreign Exchange Gain	Total
	$'000	$'000	$'000	$'000
At 1 July 2016	54,864	207,413	12,588	274,865
(Credited)/charged to profit or loss	(54,864)	11,496	(3,679)	(47,047)
At 30 June 2017	-	218,909	8,909	227,818
Transferred through reconstruction (Note 11)	-	16,809	(1,670)	15,139
Charged to profit or loss	-	34,609	4,595	39,204
At 30 June 2018	-	270,327	11,834	282,161

Deferred tax assets

	Finance lease	Accrued Vacation	Unrealised Foreign Exchange Losses	Interest Payable	Total
	$'000	$'000	$'000	$'000	$'000
At 1 July 2016	-	9,625	6,466	-	16,091
Credited/(charged) to profit or loss	50,345	(1,694)	217	-	48,868
At 30 June 2017	50,345	7,931	6,683	-	64,959
Transferred through reconstruction (Note 11)	(35,033)	(534)	-	-	(35,567)
(Charged)/credited to profit or loss	(9,509)	(2,231)	(2,454)	9,533	(4,661)
At 30 June 2018	5,803	5,166	4,229	9,533	24,731

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29. Deferred Income Taxes (Continued)

Deferred tax liabilities

	The Company			
	Finance lease $'000	Excess of Capital Allowances over Depreciation $'000	Unrealised Foreign Exchange Gain $'000	Total $'000
At 1 July 2016	34,847	222,617	10,502	267,966
Credited/(charged) to profit or loss	(34,847)	13,101	(3,263)	(25,009)
At 30 June 2017	-	235,718	7,239	242,957
Charged to profit or loss	-	34,609	4,595	39,204
At 30 June 2018	-	270,327	11,834	282,161

Deferred tax assets

	The Company				
	Accrued Vacation $'000	Finance Lease $'000	Unrealised Foreign Exchange Losses $'000	Interest Payable $'000	Total $'000
At 1 July 2016	9,034	-	6,467	-	15,501
(Charged)/credited to profit or loss	(1,638)	15,312	217	-	13,891
At 30 June 2017	7,396	15,312	6,684	-	29,392
(Charged)/credited to profit or loss	(2,230)	(9,509)	(2,455)	9,533	(4,661)
At 30 June 2018	5,166	5,803	4,229	9,533	24,731

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29. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position include the following to be recovered or settled after more than twelve months:

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Deferred tax assets to be recovered	5,803	50,345	5,803	15,312
Deferred tax liabilities to be settled	270,327	218,909	270,327	235,718

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position

	The Group		The Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Deferred tax assets	-	52,156	-	-
Deferred tax liabilities	257,430	(215,015)	(257,430)	(213,565)
At end of year	257,430	(162,859)	(257,430)	(213,565)

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30. Cash Provided by Operating Activities

Cash provided by operating activities includes the following amounts:

	The Group		The Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Profit before income tax from:				
Continuing operations	2,251,370	2,255,627	2,259,782	2,237,877
Discontinued operations	41,555	190,845	-	-
Net profit before tax including discontinued operations	2,292,925	2,446,472	2,259,782	2,237,877
Items not affecting cash:				
Unremitted equity in associates	(26,519)	(81,095)	-	-
Depreciation	794,251	589,399	775,021	536,807
Amortisation of intangible assets	-	13,728	-	-
(Gain)/loss on sale of property, plant and equipment	(4,397)	(1,029)	(4,397)	(1,524)
Gain on fire claim	-	(636,472)	-	(636,472)
Interest income	(68,491)	(73,306)	(68,491)	(71,736)
Gain on disposal of investments	(10,476)	(10,805)	(10,476)	(10,805)
Dividend income	(1,487)	(3,101)	(1,487)	(3,101)
Interest expense	211,411	169,147	211,411	158,678
Taxation expense	517,891	249,987	513,834	286,312
Exchange loss/(gain) on foreign currency balances	(23,530)	(26,894)	(50,373)	(25,819)
	3,681,578	2,636,031	3,624,824	2,470,217
Changes in operating assets and liabilities:				
Inventories	(259,519)	(365,490)	(258,891)	(363,051)
Receivables and prepayments	(472,738)	502,574	(310,710)	480,375
Due from parent company	(1,898)	-	(1,898)	-
Trade and other payables	1,001,141	(259,724)	795,534	(298,176)
Cash generated from operations	3,948,564	2,513,391	3,848,859	2,289,365
Insurance proceeds	-	156,623	-	156,623
Taxation paid	(292,691)	(710,257)	(285,847)	(679,021)
Cash provided by operating activities	3,655,873	1,959,757	3,563,012	1,766,967

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30. Cash Provided by Operating Activities

Reconciliation of movements of liabilities to cash flows arising from financing
Amounts represent bank and other loans, excluding bank overdrafts

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
At 30 June 2017	2,483,350	1,494,242	2,343,217	1,391,762
Loans received	725,000	1,900,000	725,000	1,900,000
Acquisitions under finance lease	-	112,651	-	28,774
Loans repaid	(533,967)	(1,023,543)	(533,967)	(977,319)
Transfer on reconstruction	(140,133)	-	-	-
Net interest movements	(38,038)	-	(38,038)	-
At 30 June 2018	2,496,212	2,483,350	2,496,212	2,343,217

31. Pension Scheme

The company participates in a defined contribution pension plan administered by Sagicor Life Jamaica Limited. Members contribute 5% of pensionable earnings which is matched by the employer. The employer also matches additional voluntary contributions, not exceeding 5%, made by members aged 45 and over who have 10 or more years of service. Pension contributions for the year was $125,885,000 (2017 - $101,866,000) for the Group and the company and are included in staff costs (Note 7).

32. Commitments

At year end, unexpired lease commitments, under operating leases for restaurant premises and equipment, aggregated Nil (2017 - $199,687,000) as follows:

	The Group	
	2018	**2017**
	$'000	**$'000**
Due within one year	-	48,622
Exceeding one year	-	151,065
	-	199,687

Lease commitments disclosed in prior year relates to Wisynco Foods Limited, which is no longer a subsidiary due to the reconstruction (Note 11), consequently there are no commitments for the Group in current year.

33. Dividends

	2018 $'000	2017 $'000
Interim dividends -		
6 cents per share – 7 May 2018	236,250	-
30 cents per share – 7 November 2017	1,068,683	-
16.6 cents per share – 18 November 2016	-	597,490
16.9 cents per share – 26 May 2017	-	606,731
	1,304,933	1,204,221

34. Restatement

The financial statements for the year ended 30 June 2017 were reclassified for amounts recorded as trade deals from selling and distribution expenses to cost of sales. Trade deals represents volume discounts granted to customers in the form of free products and are therefore not related to the selling and marketing of goods and services. The impact of the reclassification on the company statement of comprehensive income statement as at 30 June 2017 is described below:

	Previously reported $'000	Reclassification adjustment $'000	Reclassified balance $'000
Cost of sales	(13,319,888)	(268,306)	(13,588,194)
Selling and distribution expenses	(5,244,802)	268,306	(4,976,496)

The impact of the reclassifcation on the consolidated statement of comprehensive income statement as at 30 June 2017 is described below:

	Previously reported $'000	Reclassification adjustment $'000	Reclassified balance $'000
Cost of sales(Note 11)	(13,705,311)	(268,306)	(13,973,617)
Selling and distribution expenses (Note11)	(4,976,496)	268,306	(4,708,190)

The statement of comprehensive income as at 30 June 2017 has been restated for the presentation of discontinued operations as a result of the reconstruction of the group as disclosed in (Note 11). The consolidated cost of sales and selling and distribution expense disclosed in the reclassification note above therefore represents the group balances from continuing operations.

35. Segment reporting

The CODM regularly reviews local versus export sales however the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

36. Subsequent events

Declaration of dividends
The Board of Directors passed a resolution on 12 September 2018 approving a dividend payment of $0.075 per share payable to shareholders on record as at 26 September 2018.

Appointment as exclusive distributor for Worthy Park Estate Limited
The company has negotiated a five year exclusive distribution agreement with Worthy Park Estates Limited for the distribution of the spirits and sugar of Worthy Park Estate Limited. The distribution of spirits will commence on 1 November 2018 and the distribution of sugar will commence on 1 January 2019.