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INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN INVESTMENTS LIMITED

Opinion

We have audited the consolidated financial statements of Proven Investments Limited ("the Company") and its subsidiaries ("the Group") set out on pages 10 to 89, which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and the Group's consolidated financial performance and the Group's consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Saint Lucia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN INVESTMENTS LIMITED

Key Audit Matters

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

1. *Measurement of Expected Credit Losses on Financial Assets*

Key Audit Matter	*How the matter was addressed in our audit*
The determination of expected credit losses ('ECL') on financial assets is highly subjective and requires management to apply significant judgement and make significant estimates. The key areas requiring greater management judgement include the identification of significant increases in credit risk ('SICR'), the determination of probability of default, loss given default, exposure at default, management overlay and the application of forward-looking information. These estimates involve increased judgment as a result of the economic impacts of Covid-19 on the Group's financial assets. Management considered the following: - qualitative factors that create COVID-19 related changes to SICR. - increased uncertainty about potential future economic scenarios and their impact on credit losses.	We performed the following procedures: • Obtained an understanding of the models used by management for the calculation of expected credit losses on financial assets. • Tested the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Involved our financial risk modelling specialists to evaluate the appropriateness of the Group's impairment methodologies, including the criteria used to determine significant increases in credit risk and independently assessed the assumptions for probability of default, loss given default and exposure at default. • Involved our financial risk modelling specialists to evaluate the appropriateness of the Group's methodology for incorporating forward-looking information and management overlays, and the economic scenarios used along with the probability weightings applied to them.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN INVESTMENTS LIMITED

Key Audit Matters (Continued)

1. *Measurement of Expected Credit Losses on Financial Assets (continued)*

Key Audit Matter	*How the matter was addressed in our audit*
Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations, which increases the risk of a material misstatement. Therefore, the impairment of financial assets has a high degree of estimation uncertainty. *See notes 3(j) and 35(b) of the consolidated financial statements.*	• Assessed the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9.

2. *Impairment of intangible assets and investment in associates*

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the Group's intangible assets, including goodwill as well as its investment in associated companies, may not be recoverable due to changes in the business and economic environment in which the relevant subsidiaries operate. Additionally, the effects of Covid-19 on overall economic activity and deteriorating trading conditions adversely affected the prices of equity investments and increased the risk of impairment of the associated intangible assets and investment in associated companies.	Our audit response included: • Evaluating whether there were indicators of impairment of the investments, considering market prices, the economic environment and business performance of each subsidiary and associate. • Testing the reasonableness of the Group's forecasts and discounted cash flow calculations, including use of our enterprise valuation specialists to evaluate the assumptions and methodologies used by management and to test the mathematical accuracy of the calculations.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN INVESTMENTS LIMITED

Key Audit Matters (Continued)

2. *Impairment of intangible assets and investment in associates (continued)*

Key Audit Matter	*How the matter was addressed in our audit*
These factors create increased uncertainty in forecasting, and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. *See notes 11 and 13 of the consolidated financial statements.*	• Comparing the Group's assumptions to externally derived data as well as our own assessments of key inputs, such as projected economic growth, competition, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. • Comparing the sum of the discounted cash flows to the investees' market capitalisation, where applicable and our understanding of the market conditions, to assess the reasonableness of those cash flows. • Assessing the adequacy of the Group's disclosures about the key assumptions and the sensitivity of the impairment assessments to changes in key assumptions.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN INVESTMENTS LIMITED

Key Audit Matters (Continued)

3. Valuation of investment securities

Key Audit Matter	*How the matter was addressed in our audit*
The valuation of the Group's investment securities requires significant estimation, which is impacted by uncertainty of market factors. The volatility of prices on various markets has increased as a result of the spread of COVID-19. This affects the fair value measurement either directly, if fair value is determined based on market prices, or indirectly if a valuation technique is based on inputs that are derived from volatile markets. *See notes 5 and 36 of the consolidated financial statements.*	In performing our audit in respect of this matter, we did the following: • Involved our valuation specialists in challenging the valuation methodologies and assumptions used by management to determine the fair value of investment securities. This included independent computations and comparison of the fair value of structured notes. • Reviewed management's assessment and considered whether impairment is appropriately considered and reflected in the measurement of investments. • Assessed the adequacy of the Group's disclosures about fair value measurements and the sensitivity of the fair values to changes in key assumptions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

To the Members of
PROVEN INVESTMENTS LIMITED

Other Information (Continued)

Our opinion on the consolidated 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 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN INVESTMENTS LIMITED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix of this auditors' report. This description, which is located at pages 8-9, forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Lisa Brathwaite.

KPMG

Chartered Accountants
Castries
Saint Lucia

June 29, 2021

To the Members of
PROVEN INVESTMENTS LIMITED

Appendix to the Independent Auditors' report

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 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'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 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 auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the Members of
PROVEN INVESTMENTS LIMITED

Appendix to the Independent Auditors' report (continued)

- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Financial Position
As of March 31, 2021
(Presented in United States dollars, except as otherwise stated)

	Notes	2021 $'000	2020 $'000 *(Restated, Note 37)*	2019 $'000 *(Restated, Note 37)*
ASSETS				
Cash and cash equivalents	3(c)(ii)	151,859	94,629	69,108
Resale agreements	4	6,458	5,742	10,056
Investment securities	5	265,291	291,396	336,740
Loans receivable	6	31,962	28,855	51,334
Other assets	7	13,994	12,993	9,307
Property development in progress	8	23,087	11,869	10,597
Income tax recoverable		235	-	66
Assets held for sale		266	-	-
Property, plant and equipment	9	4,014	3,057	1,355
Investment property	10	10,678	12,270	14,229
Intangible assets	11	20,441	19,376	35,423
Investment in associates	13	146,174	118,988	80,972
Deferred tax asset	20	83	1,224	1,768
Total assets		674,542	600,399	620,955
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities				
Repurchase agreements	14	68,318	77,609	88,625
Owed to related parties	15	1,548	932	423
Notes payable	16	134,845	154,503	185,550
Current income tax payable		792	1,210	688
Other liabilities	17	6,877	6,807	8,098
Due to banks		520	420	522
Due to customers	18	286,293	250,432	221,051
Deferred income		3,910	1,813	2,854
Lease liabilities	19	2,013	1,252	-
Preference shares	21	1	1	1
Total liabilities		505,117	494,979	507,812
Stockholders' equity				
Share capital	22	115,754	86,716	86,716
Fair value reserve	23	6,867	(14,865)	2,689
Foreign exchange translation reserve	24	2,783	(2,622)	(7,063)
Retained earnings		36,277	29,781	8,383
Equity attributable to owners of the Company		161,681	99,010	90,725
Non-controlling interest	25	7,744	6,410	22,418
Total stockholders' equity		169,425	105,420	113,143
Total liabilities and stockholders' equity		674,542	600,399	620,955

The financial statements on pages 10 to 89 were approved for issue by the Board of Directors on June 29, 2021 and signed on its behalf by:

Director — Rhory McNamara

Director — Jeffrey Gellineau

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

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2021
(*Presented in United States dollars, except as otherwise stated)*

	Notes	2021 $'000	2020 $'000
Net interest income and other revenue			
Interest income, calculated using the effective interest method	26	10,582	20,285
Interest expense	26	(7,545)	(9,107)
		3,037	11,178
Dividends		42	34
Fees and commissions		7,802	11,572
Net fair value adjustments and realised gains	27	7,332	3,783
Net foreign exchange gains		1,880	1,910
Gain on disposal of subsidiary	12(c)	-	24,930
Pension management income		3,174	3,434
Operating revenue, net of interest expense		23,267	56,841
Other income		3,682	13,390
Total		26,949	70,231
Operating expenses			
Staff costs	28	9,581	12,876
Depreciation and amortisation	9,11	1,868	1,996
Impairment (reversal)/loss on loans and other assets		(21)	1,462
Impairment (reversal)/loss on investments		(396)	362
Property expenses		1,146	9,359
Other operating expenses	29	8,598	11,867
Total		20,776	37,922
Operating profit		6,173	32,309
Preference share dividend	31(f)	(2,743)	(8,605)
Share of profit of associates	13	10,699	10,438
Profit before income tax		14,129	34,142
Income tax charge	30	(1,032)	(1,900)
Profit for the year		13,097	32,242
Profit attributable to:			
Owners of the company		11,532	29,979
Non-controlling interest	25	1,565	2,263
Profit for the year		13,097	32,242
Earnings per stock unit	32	1.81¢	4.79¢

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

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)
Year ended March 31, 2021
(Presented in United States dollars, except as otherwise stated)

	2021 $'000	2020 $'000
Profit for the year	13,097	32,242
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Realised gains on securities at FVOCI	4,770	1,013
Unrealised gains/(losses) on securities at FVOCI	2,872	(7,914)
Deferred tax on fair value adjustment on securities at FVOCI and ECL	(935)	773
Exchange differences on translation of foreign operations	3,947	4,441
Share of other comprehensive income/(loss) in associates (note 13)	17,180	(12,236)
Total other comprehensive income/(loss)	27,834	(13,923)
Total comprehensive income for the year	40,931	18,319
Total comprehensive income attributable to:		
Owners of the Company	38,669	16,866
Non-controlling interests	2,262	1,453
Total comprehensive income for the year	40,931	18,319

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity
Year ended March 31, 2021
(Presented in United States dollars, except as otherwise stated)

	Share capital $'000 (Note 22)	Fair value reserve $'000 (Note 23)	Foreign exchange translation reserve $'000 (Note 24)	Retained earnings $'000	Attributable to equity holders of the Company $'000	Non-controlling interest $'000 (Note 25)	Total $'000
Balances at March 31, 2019, as restated	**86,716**	**2,689**	**(7,063)**	**8,383**	**90,725**	**22,418**	**113,143**
Total comprehensive income for 2020							
Profit for the year	-	-	-	29,979	29,979	2,263	32,242
Other comprehensive loss for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	4,441	-	4,441	-	4,441
Realised gain on securities at FVOCI	-	1,013	-	-	1,013	-	1,013
Unrealised loss on debt securities at FVOCI	-	(7,104)	-	-	(7,104)	(810)	(7,914)
Deferred tax credit on fair value adjustments	-	773	-	-	773	-	773
Share of associates' other comprehensive loss	-	(12,236)	-	-	(12,236)	-	(12,236)
Other comprehensive loss for year, net of tax	-	(17,554)	4,441	-	(13,113)	(810)	(13,923)
Total comprehensive income	-	(17,554)	4,441	29,979	16,866	1,453	18,319
Transactions with owners recorded directly in equity							
Disposal of subsidiary with NCI	-	-	-	-	-	(16,361)	(16,361)
Dividends to equity holders (Note 33)	-	-	-	(8,581)	(8,581)	(1,100)	(9,681)
Balances at March 31, 2020	**86,716**	**(14,865)**	**(2,622)**	**29,781**	**99,010**	**6,410**	**105,420**
Total comprehensive income for 2021							
Profit for the year	-	-	-	11,532	11,532	1,565	13,097
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	3,947	-	3,947	-	3,947
Realised gain on securities at FVOCI	-	4,770	-	-	4,770	-	4,770
Unrealised loss on debt securities at FVOCI	-	2,175	-	-	2,175	697	2,872
Deferred tax credit on fair value adjustments	-	(935)	-	-	(935)	-	(935)
Share of associates' other comprehensive income	-	15,722	1,458	-	17,180	-	17,180
Other comprehensive income for year, net of tax	-	21,732	5,405	-	27,137	697	27,834
Total comprehensive income for the year	-	21,732	5,405	11,532	38,669	2,262	40,931
Transactions with owners recorded directly in equity							
Issue at new shares [Note 22 (a)]	29,038	-	-	-	29,038	-	29,038
Dividends to equity holders (Note 33)	-	-	-	(5,036)	(5,036)	(928)	(5,964)
Balances at March 31, 2021	**115,754**	**6,867**	**2,783**	**36,277**	**161,681**	**7,744**	**169,425**

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Cash Flows
Year ended March 31, 2021
Presented in United States dollars, except as otherwise stated)

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit for the year		13,097	32,242
Adjustments for:			
Depreciation	9	752	667
Amortisation	11	1,116	1,329
Interest income	26	(10,582)	(20,285)
Interest expense	26	7,545	9,107
Dividend income		(42)	(34)
Impairment (reversal)/loss in loans and other assets		(21)	1,462
Impairment (reversal)/loss on investments		(396)	362
Share of profit of associates	13	(10,699)	(10,438)
Fair value adjustment on investment property	27	(951)	(952)
Unrealised fair value on investments		(1,254)	-
Gain on disposal of subsidiary	12(b)	-	(24,930)
Unrealised foreign exchange gain		(1,880)	(1,910)
Income tax charge	30	1,032	1,900
		(2,283)	(11,480)
Change in operating assets and liabilities			
Investment securities		37,278	39,960
Loans receivable		(3,086)	(6,371)
Other assets		(1,087)	(4,400)
Other liabilities		488	(2,944)
Due to customers		35,861	29,381
Due to other banks		100	(102)
Repurchase agreements		(9,291)	(11,016)
Resale agreements		(716)	4,314
Owed to related party		616	509
Deferred income		2,097	(1,041)
Development in progress		(8,039)	2,942
		51,938	39,752
Interest received		11,255	20,675
Dividend received		42	34
Interest paid		(7,810)	(8,868)
Income tax paid		(1,479)	(1,143)
Net cash provided by operating activities		53,946	50,450
Cash flows from investing activities			
Acquisition of associate, net of dividends		-	(17,324)
Proceeds from disposal of property, plant and equipment		69	13
Proceeds from disposal of subsidiary		-	16,245
Purchase of investment property		(930)	(1,161)
Purchase of property, plant and equipment		(767)	(1,254)
Purchase of intangible asset	11	(2,321)	(1,630)
Net cash used by investing activities		(3,949)	(5,111)
Net cash flows provided by operating and investing activities (carried forward to page 15)		49,997	45,339

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

PROVEN INVESTMENTS LIMITED

Consolidated Statement of Cash Flows (Continued)
Year ended March 31, 2021
Presented in United States dollars, except as otherwise stated)

	Notes	2021 $'000	2020 $'000
Net cash flows provided by operating and investing activities (brought forward from page 14)		49,997	45,339
Cash flows from financing activities			
Proceeds from issue of ordinary shares	22 (a)	29,038	-
Translation adjustment in respect of foreign subsidiaries		4,261	3,497
Notes payable		(19,658)	(13,318)
Payment of lease liabilities	19	(444)	(316)
Dividends paid	33	(5,964)	(9,681)
Net cash provided/(used) by financing activities		7,233	(19,818)
Net increase in cash and cash equivalents		57,230	25,521
Cash and cash equivalents at beginning of year		94,629	69,108
Cash and cash equivalents at end of year		151,859	94,629

PROVEN INVESTMENTS LIMITED

Notes to the Consolidated Financial Statements
Year ended March 31, 2021
(Presented in United States dollars, except as otherwise stated)

1. Identification

Proven Investments Limited ("the Company") is incorporated and domiciled in Saint Lucia under the International Business Companies Act, with registered office at 20 Micoud Street, Castries, Saint Lucia. The Company's shares are listed on the Jamaica Stock Exchange.

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

The Company has the following subsidiaries and associated companies:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2021	2020
Boslil Bank Limited	Saint Lucia	Private Banking	75	75
Boslil International Holdings Limited	Saint Lucia	Holding company	100	100
Boslil Bond Fund Limited	Saint Lucia	Structured finance services investment management	100	100
Boslil Equity Fund Limited	Saint Lucia	Private mutual fund	100	100
Boslil Secretarial Services	Saint Lucia	Private secretarial services	100	100
Boslil Corporate Services Limited	Saint Lucia	Registered agent services	100	100
Boslil Finance Limited	Saint Lucia	Structured finance services investment management	100	100
Boslil Sudamenco S.A.	Uruguay	Market research translation and business development services	100	100
Proven Wealth Limited	Jamaica	Fund management, investment advisory services, pension fund management and money market and equity trading	100	100
International Financial Planning Jamaica Limited	Jamaica	Fund management	100	100
International Financial Planning (Cayman Limited)	Cayman Islands	Investment advisory services	100	100
IFP Cayman Ltd	Cayman Islands	Investment advisory services	100	100
IFP BVI LImited	British Virgin Islands	Investment advisory services	100	100
IFP Bermuda Limited	Bermuda	Investment advisory services	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
Real Properties Limited :	Saint Lucia	Real estate investment	100	100
Proven Kingsway Limited	Saint Lucia	Real estate investment	100	100
Real Millsborough Limited	Saint Lucia	Real estate investment	100	100
Real Bloomfield Limited	Saint Lucia	Real estate investment	100	100
Real PP Limited	Saint Lucia	Real estate investment	100	100

(Presented in United States dollars, except as otherwise stated)

1. Identification (continued)

The Company has the following subsidiaries and associated companies (continued):

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2021	2020
Real Properties Limited (continued):				
Real 53 NPW Limited	Saint Lucia	Real estate investment	100	100
GIAU A1	Saint Lucia	Real estate investment	100	100
Real PP2 Limited	Saint Lucia	Real estate investment	100	100
Real Braemar	Saint Lucia	Real estate investment	100	100
Real Milford	Saint Lucia	Real estate investment	100	100
Real West Kings	Saint Lucia	Real estate investment	100	100
Real Gladstone Limited	Saint Lucia	Real estate investment	60	60
SKILLEX	Jamaica	Real estate investment	60	60
Grove Park Limited	Saint Lucia	Real estate investment	52	52
Omega Bay	Cayman	Real estate investment	40	40
Proven Reit Limited	Jamaica	Management services	100	100
Proven Holdings Limited	St. Lucia	Holding company	100	100
Associate companies				
JMMB Group Limited	Jamaica	Investment management and banking services	20	20
Dream Entertainment Limited	Jamaica	Entertainment	20	20
Access Financial Services Limited [note 12(c)]	Jamaica	Retail lending	24.72	24.72

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act.

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

Certain new and amended standards came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements. None of these pronouncements resulted in any significant change to the amounts recognised or disclosed in the financial statements.

New and amended standards and interpretations that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Group has not early-adopted. The Group has assessed them with respect to its operations and has determined that the following are relevant:

PROVEN INVESTMENTS LIMITED

Notes to the Consolidated Financial Statements (Continued)
Year ended March 31, 2021
(*Presented in United States dollars, except as otherwise stated)*

2. Basis of preparation

(a) Statement of compliance

(i) Amendments to IFRS 16 *Leases* is effective for annual periods beginning on or after June 1, 2020, with early application permitted. It provides guidance for COVID-19 related rent concessions.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to make appropriate disclosures.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The Group does not expect the amendment to have a significant impact on its 2022 financial statements.

(ii) Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and* Measurement, IFRS 7 *Financial Instruments: Disclosures,* IFRS 4 *Insurance contracts* and IFRS 16 *Leases,* is effective for annual accounting periods beginning on or after January 1, 2021 and address issues affecting financial reporting in the period leading up to interbank offered rates (IBOR) reform. The second phase amendments apply to all hedging relationships directly affected by IBOR reform. The amendments principally address practical expedient for modifications. A practical expedient has been introduced where changes will be accounted for by updating the effective interest rate if the change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. A similar practical expedient will apply under IFRS 16 *Leases* for lessees when accounting for lease modifications required by IBOR reform. In these instances, a revise discount rate that reflects the change in interest rate will be used in remeasuring the lease liability.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards and interpretations that are not yet effective (continued):

(ii) Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and* Measurement, IFRS 7 *Financial Instruments (continued):*

The amendments also address specific relief from discontinuing hedging relationships as well as new disclosure requirements.

The Group does not expect the amendment to have a significant impact on its 2022 financial statements.

(iii) Amendments to IAS 37 *Provision*, C*ontingent Liabilities and Contingent Assets* is effective for annual periods beginning on or after January 1, 2022 and clarifies those costs that comprise the costs of fulfilling the contract.

The amendments clarify that the ‘costs of fulfilling a contract’ comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification will require entities that apply the ‘incremental cost’ approach to recognise bigger and potentially more provisions. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

The Group does not expect the amendment to have a significant impact on its 2023 financial statements.

(iv) Annual Improvements to IFRS Standards 2018-2020 cycle contain amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS *9* Financial Instruments*,* IFRS 16 *Leases* and are effective for annual periods beginning on or after January 1, 2022.

1) IFRS 9 *Financial Instruments* amendment clarifies that – for the purpose of performing the ‘10 per cent test’ for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

2) IFRS 16 *Leases* amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The Group does not expect the amendment to have a significant impact on its 2023 financial statements.

2. Basis of preparation (continued)

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of financial assets and investment property at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States dollars (USD), which is the functional currency of the Company, rounded to the nearest thousand, unless otherwise indicated. The financial statements of those subsidiaries which have other functional currencies, are translated into USD in the manner set out in note 3(h)(ii).

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

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

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

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

(i) Key sources of estimation uncertainty

(1) Impairment of financial assets:

A number of significant judgements are required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increases in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in notes 3(i) and 35(b).

2. Basis of preparation (continued)

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

(i) Key sources of estimation uncertainty (continued)

(2) Fair value of financial instruments

There are no quoted market prices for a significant portion of the Group's financial assets. Accordingly, fair values of such assets are estimated using prices obtained from a yield curve. The yield curve is, in turn, obtained from a pricing source which estimates the yield curve on the basis of indicative prices submitted to it by licensed banks and other financial institutions in Jamaica. There is significant uncertainty inherent in this approach; the fair values determined in this way are classified as Level 2 fair values. Some other fair values are estimated based on quotes published by broker/dealers, and these are also classified as Level 2. The estimates of fair value arrived at from these sources may be significantly different from the actual price of the instrument in an actual arm's length transaction (see notes 5 and 36).

(3) Impairment of goodwill, other intangible assets and investment in associates

Impairment of goodwill, other intangibles and investment in associates is dependent upon management's internal assessment of future cash flows from the cash-generating units that gave rise to the goodwill and intangible assets or for the purposes of determining the value in use of the associate. Those internal assessments determine the amount recoverable from the cash generating units and are sensitive to the discount rates used, as well as the economic assumptions of growth (see notes 11 and 13).

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

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

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

- Whether the criteria for classifying financial assets are appropriately applied. For example, the determination of whether a security may be classified as at "fair value through profit or loss (FVTPL)", "fair value through other comprehensive income (FVOCI)" or "amortised cost" (note 5) or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy (note 36) requires judgement as to whether a market is active [see note 3(b)].
- In determining whether the Group has control or significant influence over an investee and how to account for that investee, management considers the percentage of the investee's share capital that it holds and makes judgements about other relevant factors affecting control or significant influence over the relevant activities of the investee [see notes 3(a), 12 and 13].

PROVEN INVESTMENTS LIMITED

Notes to the Consolidated Financial Statements (Continued)
Year ended March 31, 2021
(*Presented in United States dollars, except as otherwise stated)*

3. Significant accounting policies

(a) Basis of consolidation:

(i) Business combinations

Business combinations are accounted for using the acquisition method at the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date.

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

(ii) Subsidiaries

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

(iii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquirees' identifiable net assets at the date of acquisition, plus accumulated share of changes in equity of the relevant subsidiary. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

3. Significant accounting policies

(a) Basis of consolidation (continued):

(iv) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating decisions. Interest in associates is accounted for using the equity method.

They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to Nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations, or made payments on behalf of an associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of accumulated losses not recognised.

(v) Loss of control

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

(vi) Transactions eliminated on consolidation

Balances and transactions between companies within the Group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3. Significant accounting policies (continued)

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

(i) Classification of financial assets

In applying IFRS 9, the Group classifies its financial assets in the following measurement categories:

a. Fair value through profit or loss (FVTPL);
b. Fair value through other comprehensive income (FVOCI); or
c. Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at note 35(b). Interest income from these financial assets is included in 'Interest and similar income' using the effective interest method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss within 'Net fair value adjustments and realised gains' in the period in which it arises. Interest income from these financial assets is included in interest income using the effective interest method.

3. Significant accounting policies (continued)

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

(i) Classification of financial assets (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income.

Gains and losses on equity investments at FVTPL are included in the 'Net fair value adjustments and realised gains' caption in the statement of profit or loss.

Business model assessment

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Group in determining the business model for a group of assets include:

1. Past experience on how the cash flows for these assets were collected;
2. How the assets' performance is evaluated and reported to key management personnel;
3. How risks are assessed and managed; and
4. How managers are compensated.

For example, securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Solely payments of principal and interest (SPPI): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

3. Significant accounting policies (continued)

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

(i) Classification of financial assets (continued)

Business model assessment (continued)

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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

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

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

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

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

(iii) Financial liabilities

The Group classifies non-derivative financial liabilities into the “other financial liabilities” category. These are measured at amortised cost.

3. Significant accounting policies (continued)

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

(iv) Measurement of gains and losses on financial assets

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest income calculated using the effective interest method;
- ECL charges and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Gains and losses on equity instruments classified at FVOCI are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

(c) Financial instruments - Other

(i) Non-trading derivatives

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

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

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

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

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(ii) Cash and cash equivalents

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

Cash and cash equivalents are measured at amortised cost.

(iii) Other assets

Other assets are measured at amortised cost less impairment losses.

(iv) Guarantees and letters of credit

A financial guarantee is a contract that contingently requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor failed to make payment when due in accordance with the terms of a debt instrument. Guarantees include standby letters of credit, letters of guarantee, indemnifications, or other similar contracts.

Financial guarantees are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Management has determined that the amounts initially recognised is immaterial to the financial statements.

The Group's commitments under acceptances, guarantees and letters of credit as at March 31, 2021, total \$8,178,000 (2020: \$12,583,000). In the event of a call on these commitments, the Group has equal and offsetting claims against its customers.

(v) Other liabilities

Other liabilities are measured at amortised cost.

(vi) Resale and repurchase agreements

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

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

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(vii) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as:

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

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

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

(viii) Loans and notes receivable and other receivables

Loans and notes receivable and other receivables are measured at amortised cost less impairment allowances, see note 3(j).

(ix) Accounts payable

Accounts payable are measured at amortised cost.

(x) Interest-bearing borrowings

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

(xi) Offsetting

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

(xii) Amortised cost

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

3. Significant accounting policies (continued)

(d) Property development costs

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

(e) Investment property

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

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

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

(f) Property, plant and equipment

(i) Cost

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

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

PROVEN INVESTMENTS LIMITED

Notes to the Consolidated Financial Statements (Continued)
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3. Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

(ii) Depreciation

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

Computers	25% - 33⅓%
Furniture, fixtures and equipment	10% - 20%
Leasehold improvements	10% - 20%
Motor vehicles	20% - 25%

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

(g) Intangible assets

(i) Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units (note 11) and tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the equity accounted investee as a whole.

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

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

(iii) Software

Acquired computer software licenses as well as third party and internal costs directly associated with the development of software are capitalised as intangible assets on the basis of the costs incurred to acquire and bring the specific software to use. These costs are amortised over their estimated useful lives (three to eight years). Internal costs associated with developing or maintaining computer software programs are recognised as expense as incurred.

(iv) Subsequent expenditure

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

3. Significant accounting policies (continued)

(g) Intangible assets (continued)

(v) Amortisation

Intangible assets with finite asset lives, are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

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

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

(h) Foreign currency translation

(i) Transactions and balances

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

Changes in the fair value of monetary securities denominated in foreign currency classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss. Other changes in the carrying amount are recognised in other comprehensive income and presented in fair value reserve. Translation differences on non-monetary items, such as equities classified as FVOCI financial assets, are recognised in other comprehensive income and presented in the fair value reserve in stockholders' equity.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into USD at the spot exchange rate at the reporting date. The income and expenses of the foreign operations are translated into USD at the average exchange rates for the period. Foreign currency differences on the translation of foreign operations are recognised in other comprehensive income and included in foreign exchange translation reserve.

3. Significant accounting policies (continued)

(i) Income tax

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

(i) Current income tax

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

(ii) Deferred income tax

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

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

(j) Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on financial instruments measured at amortised cost and debt instruments at FVOCI. No impairment loss is recognised on equity instruments which are measured at FVTPL.

Framework

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. See below for a description of how the Group determines when a significant increase in credit risk has occurred.
- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

Framework (continued)

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 and 3 have their ECL measured based on expected credit losses on a lifetime basis. See below and note 35(b) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. See note 35(b) for an explanation of how the Group has incorporated this in its ECL models.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired ('Stage 3'). Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that it would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.
- In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of the debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset for the determination of ECL.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Incorporation of forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Measurement of ECL

The Group measures loss allowances at an amount equal to lifetime ECL, except for debt investment securities with low credit risk at the reporting date and certain financial assets on which credit risk has not increased significantly, which are measured as 12-month ECL.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed.

The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

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3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

Measurement of ECL (continued)

ECL is a probability-weighted estimate of credit losses, measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive;
- trade and lease receivables: Loss allowances for trade and lease receivables, measured at an amount equal to lifetime ECL.

Presentation of allowance for ECL in the statement of financial position

Allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.
- loan commitments and financial guarantee contracts: generally, as a provision.
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss is recognised in profit or loss as a reclassification from OCI.

(k) Impairment of non-financial assets

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

(l) Investment in subsidiaries

Investment in subsidiaries is measured in the separate financial statements of the Company at cost, less impairment losses, if any.

3. Significant accounting policies (continued)

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contracts to each lease component on the basis of its relative stand-alone prices. Non-lease components have been separated for leases of properties.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from its primary bankers and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3. Significant accounting policies (continued)

(m) Leases (continued)

(a) As a lessee (continued)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and presents lease liabilities as such in the statement of financial position.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for lease that are considered short-term leases. The Group recognises the lease payments associated with these lease as an expense on a straight-line basis over the lease term.

(n) Revenue recognition

Revenue comprises interest income, fees and commissions, dividends, income and gains from holding and trading securities and property sales.

(i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss allowance).

3. Significant accounting policies (continued)

(n) Revenue recognition (continued)

(ii) Fee and commission income

Fee and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportioned basis. Asset management fees related to investment funds are recognised as the service is provided. Performance linked fees or fee components are recognised when the performance criteria are fulfilled.

(iii) Dividends

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

(iv) Gains or losses on holding and trading securities

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

(o) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount.

The effective interest rate is established on initial recognition of the financial liability and not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortisation of premium on instruments issued at other than par.

(p) Employee benefits

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

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3. Significant accounting policies (continued)

(p) Employee benefits (continued)

(i) General benefits

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

Post-employment benefits are accounted for as described in (ii) below. Other long-term benefits, including termination benefits, which arise when either (1) the employer decides to terminate an employee's employment before the normal retirement date or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when they fall due.

(ii) Share-based payment transaction

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is recognised as staff costs.

4. Resale agreements

The Group purchases government and corporate securities and agrees to resell them at specified dates and prices [see note 3(c)(vi)].

Resale agreements result in credit exposure, as the counterparty to the transaction may be unable to fulfill its contractual obligations. At the reporting date, the fair value of the securities held as collateral for resale agreements was $7,585,000 (2020: $6,399,000). Certain securities have been pledged to third parties in repurchase agreements (note 14).

5. Investment securities

	2021 $'000	2020 $'000
Financial assets at fair value through profit or loss		
Quoted equities	7,547	1,857
Unit Trust	5,913	5,392
Foreign sovereign debt	4,792	4,921
Corporate bonds	-	1,492
Private equity funds	405	343
Principal Protected Note warrant asset [see (a) below]	-	330
Financial assets at fair value through profit or loss, carried forward to page 41	18,657	14,335

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5. Investment securities (continued)

	2021 $'000	2020 $'000
Financial assets at fair value through profit or loss brought forward from page 40	18,657	14,335
Financial assets at fair value through other comprehensive income		
Global bonds	148,252	167,978
Government of Jamaica securities	26,853	40,285
Corporate bonds	17,581	32,567
Certificate of deposits	2,000	-
Foreign sovereign debt	7,114	7,250
	201,800	248,080
Amortised cost		
Global bonds	18,585	19,801
Corporate bonds	8,956	5,579
Certificate of deposit	17,446	3,732
	44,987	29,112
Less allowance for expected credit losses	(153)	(131)
	44,834	28,981
Total investment securities	265,291	291,396

(a) The Group purchased a call option from an independent third party to cover the interest charges due to maturity on the principal protected note [see note 16(ii)] issued by the Group.

(b) As at March 31, 2021, $186,501,000 (2020: $245,209,000) of investment securities is expected to be recovered after 12 months from the reporting date.

(c) The carrying value of debt securities pledged to third parties in repurchase agreements see (note 14) was $60,042,000 (2020: $68,073,000). These transactions are conducted under terms that are usual and customary for standard lending and securities borrowing and lending activities, as well as requirements determined by exchanges where the Group acts as an intermediary.

6. Loans receivable

	2021 $'000	2020 $'000
Loans and advances to customers [see (a) below]	6,875	9,767
Margin loans [see (a) below]	367	1,087
Corporate notes	24,648	15,296
Other loans	398	2,914
	32,288	29,064
Less allowance for expected credit losses [see (b)]	(326)	(209)
	31,962	28,855

PROVEN INVESTMENTS LIMITED

Notes to the Consolidated Financial Statements (Continued)
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6. Loans receivable (continued)

(a) Loans and advances to customers and margin loans represent advances made by the Group to facilitate the purchase of securities by its clients. The securities purchased are pledged as collateral for the outstanding advances. Certain of these securities have been re-pledged by the Group. At the reporting date, the fair value of the collateral pledged by the clients and re-pledged by the Group was $2,878,000 (2020: $2,853,000).

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

	2021				
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Loans and advances to customers	6,875	-	-	-	6,875
Margin loans	-	356	-	-	356
Corporate notes	807	2,518	20,107	901	24,333
Other loans	-	57	341	-	398
	7,682	2,931	20,447	901	31,962

	2020				
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Loans and advances to customers	-	9,646	-	-	9,646
Margin loans	-	1,087	-	-	1,087
Corporate notes	2,040	2,400	10,768	-	15,208
Other loans	590	2,312	12	-	2,914
	2,630	15,445	10,780	-	28,855

(i) The ageing of loans receivable and related impairment allowance are as follow:

	2021		2020	
	Gross $'000	Allowance for impairment $'000	Gross $'000	Allowance for impairment $'000
Not past due and not impaired	14,583	20	14,246	121
More than 90 days past due and impaired	17,705	306	14,818	88
	32,288	326	29,064	209

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Notes to the Consolidated Financial Statements (Continued)
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6. Loans receivable (continued)

(b) Expected credit losses (continued)

(ii) The movement on the expected credit losses is as follows:

	2021 $'000	2020 $'000
Balance at the beginning of the year	209	3,588
Impairment allowances recognised/(reversed)	127	(33)
Movement on ECL as a result of disposal of subsidiary	-	(3,341)
Effect of exchange rate movements	(10)	(5)
Balance at the end of the year	326	209

7. Other assets

	2021 $'000	2020 $'000
Withholding tax recoverable	2,796	2,751
Interest receivable	1,167	1,738
Due from client	812	1,403
Prepayments	295	371
Pre-construction activity	3,333	2,816
Real estate sale receivable	1,340	2,981
Other income receivable	618	-
Deposit on capital acquisition	2,145	-
Other	1,718	1,185
	14,224	13,245
Less allowance for expected credit losses	(230)	(252)
	13,994	12,993

The movement in expected credit losses is as follows:

	2021 $'000	2020 $'000
Balance at beginning of year	252	295
Expected credit losses reversed	(8)	(24)
Effect of exchange rate movements	(14)	(19)
Balance at end of year	230	252

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8. Property development in progress

This comprises land and associated costs on several projects to develop residential and commercial property, including an amount of $1,308,000 (2020: $1,308,000) in settlement of variable consideration on the purchase of a property.

Of this amount, $3,179,000 (2020: $4,214,000) was transferred from investment property during the year (note 10).

9. Property, plant and equipment

	Right-of-use on leasehold properties $'000	Leasehold improvements $'000	Furniture, fixtures and equipment $'000	Motor vehicles $'000	Computer equipment $'000	Work in progress $'000	Art-work $'000	Total $'000
Cost:								
March 31, 2019	-	732	1,387	225	1,328	422	5	4,099
Recognition of right-of-use assets on initial application of IFRS 16	262	-	-	-	-	-	-	262
Additions	1,221	540	188	31	442	53	-	2,475
Transfers	-	422	-	-	-	(422)	-	-
Disposal of subsidiary	-	(512)	(325)	(24)	(443)	-	-	(1,304)
Disposals	-	(25)	(19)	-	(167)	-	-	(211)
Translation adjustment	-	(11)	(11)	-	(52)	-	-	(74)
March 31, 2020	1,483	1,146	1,220	232	1,108	53	5	5,247
Additions	1,052	358	73	-	183	153	-	1,819
Transfers	-	49	-	-	4	(53)	-	-
Disposals	-	(122)	-	-	(28)	-	-	(150)
Translation adjustment	(20)	(13)	(13)	-	(59)	-	-	(105)
March 31, 2021	2,515	1,418	1,280	232	1,208	153	5	6,811
Depreciation:								
March 31, 2019	-	412	933	145	1,254	-	-	2,744
Charge for the year	273	106	59	9	220	-	-	667
Disposal of subsidiary	-	(315)	(209)	(51)	(395)	-	-	(970)
Eliminated on disposal	-	(25)	(14)	-	(159)	-	-	(198)
Translation adjustment	-	(4)	(4)	-	(45)	-	-	(53)
March 31, 2020	273	174	765	103	875	-	-	2,190
Charge for the year	354	128	65	8	197	-	-	752
Eliminated on disposal	-	(53)	-	-	(28)	-	-	(81)
Translation adjustment	(10)	(6)	(6)	-	(42)	-	-	(64)
March 31, 2021	617	243	824	111	1,002	-	-	2,797
Net book values:								
March 31, 2021	1,898	1,175	456	121	206	153	5	4,014
March 31, 2020	1,210	972	455	129	233	53	5	3,057
March 31, 2019	-	320	454	80	74	422	5	1,355

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10. Investment property

	2021 $'000	2020 $'000
At beginning of year	12,270	14,229
Investment property acquired	930	1,161
Fair value adjustment (note 27)	951	952
Transfer to property development in progress (note 8)	(3,179)	(4,214)
Transfer to asset held for sale	(266)	-
Foreign exchange translation adjustment	(28)	142
	10,678	12,270

The Group's properties were last revalued in March 2021 and March 2020 by independent valuators, DC Tavares Finson Realty Company Limited. The valuations were done on the basis of open market value. The fair value of the investment property is categorised as Level 3 in the fair value hierarchy.

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

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11. Intangible assets

	Customer relationships $'000	Non-compete agreements $'000	Trade name $'000	Goodwill $'000	License $'000	Computer software $'000	Work-in-progress $'000	Total $'000
Cost:								
March 31, 2019	15,124	1,669	2,860	19,806	452	1,348	-	41,259
Additions	-	-	-	-	-	174	1,456	1,630
Disposal of subsidiary	(2,411)	-	(2,404)	(13,198)	-	(586)	-	(18,599)
Translation adjustment	-	-	-	-	(30)	(5)	-	(35)
March 31, 2020	12,713	1,669	456	6,608	422	931	1,456	24,255
Additions	-	-	-	-	-	289	2,032	2,321
Transfers	-	-	-	-	-	272	(272)	-
Translation adjustment	-	-	-	-	(32)	(5)	(110)	(147)
	12,713	1,669	456	6,608	390	1,487	3,106	26,429
Amortisation:								
March 31, 2019	3,630	1,292	-	-	-	914	-	5,836
Amortisation for the year	1,067	206	-	-	-	56	-	1,329
Disposal of subsidiary	(1,903)	-	-	-	-	(359)	-	(2,262)
Translation adjustment	-	-	-	-	-	(24)	-	(24)
March 31, 2020	2,794	1,498	-	-	-	587	-	4,879
Amortisation for the year	959	31	-	-	-	126	-	1,116
Translation adjustment	-	-	-	-	-	(7)	-	(7)
	3,753	1,529	-	-	-	706	-	5,988
Net book values:								
March 31, 2021	8,960	140	456	6,608	390	781	3,106	20,441
March 31, 2020	9,919	171	456	6,608	422	344	1,456	19,376
March 31, 2019	11,494	377	2,860	19,806	452	434	-	35,423

In testing goodwill for impairment, recoverable amounts of cash-generating units are estimated based on value-in-use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of cash-generating units are arrived at by estimating their future cash flows and discounting those cash flows using long-term discount rates applicable to the countries in which the businesses operate.

Future sustainable cash flows are estimated based on the most recent forecasts, after taking account of past experience. In all cases projected cash flows are taken over 5 years and the long-term growth rate is applied following the projection period, with a terminal value calculated based on the discount rate and growth rate applied. Each cash generating unit is regarded as saleable to a third party at any future date at a price sufficient to recover its carrying amount of goodwill. Key assumptions are set out below:

	2021	2020
Retail lending cash generating units (CGUs)		
Discount rate	16.5%	16.9%
Growth rate	2.2%	2.5%

The fair value of the International Financial Planning Limited (IFP) trade name was calculated using the relief from royalty method and compared to the carrying value of the trade name as at March 31, 2021.

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Notes to the Consolidated Financial Statements (Continued)
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12. Investment in subsidiaries

(a) Proven Holdings Limited

Capital injection of $25,163,000 (2020: $20,500,000) cash was made in Proven Holdings Limited.

(b) Real Properties Limited

During the financial year, capital injection of $2,855,000 cash was made, in order to maintain 100% interest in Real Properties Limited.

(c) Disposal of shares in Access Financial Services Limited

Effective September 27, 2019, the Company disposed of shares in Access Financial Services Limited, resulting in a reduction of its shareholding from 49.72% to 24.72%. The transaction was recognised as a disposal of subsidiary and recognition of an investment in associate. The amounts recognised in profit for the Group of $24,930,000 represent the gain on the disposal of shares and a fair value increase on the remaining shares recognised as investment in associate.

13. Investment in associates

	2021 $'000	2020 $'000
Carrying amount of interest in associate:		
JMMB Group Limited	122,587	95,917
Dream Entertainment Limited	503	570
Access Financial Services Limited [see note 12(c)]	23,084	22,501
	146,174	118,988

Group's share of profit/(loss) is broken out as follows:

	2021 $'000	2020 $'000
JMMB Group Limited	10,316	10,347
Access Financial Services Limited	451	91
	10,767	10,438
Dream Entertainment Limited	(68)	-
	10,699	10,438

(i) Investment in Access Financial Services Limited

The Company disposed of shares in Access Financial Services Limited effective September 27, 2019, which resulted in a reduction of its shareholding from 49.72% to 24.72%. The transaction was recognised as a disposal of subsidiary and recognition of an investment in associate. As at March 31, 2021, the market value of the investment was $10,380,000 (2020: $11,687,000).

(Presented in United States dollars, except as otherwise stated)

13. Investment in associates (continued)

(i) Investment in Access Financial Services Limited (continued)

The recoverable amount of the investment was based on its value in use, determined by discounting the future cash flows to be generated from the continued operations of the entity. The carrying amount of the investment was less than the recoverable amount, therefore no impairment losses were recognised.

The key assumptions used in the estimation of value in use were as follows:

	2021	2020
Discount rate	18%	19%
Terminal value growth rate	10.1x	9x

The discount rate was a pre-tax measure based on the rate of 10-year Government of Jamaica bonds and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity was estimated by management.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated loan disbursements for the next five years.

(ii) Investment in JMMB Group Limited

This represents an indirect holding of 391,310,526 shares or 20% shareholding in JMMB Group Limited (JMMBGL).

The principal activities of JMMBGL are investment management and banking services. The purpose of the acquisition is to generate dividend income. JMMBGL is listed on Jamaica Stock Exchange. As at March 31, 2021 the market value of the investment was $88,781,000 (2020: $111,032,000).

13. Investment in associates (continued)

(iii) The following table summarises the financial information of JMMBGL and Access Financial Services Limited (Access), as included in the Group's financial statements as at March 31, 2021, reflecting adjustments for differences in accounting policies.

	2021			2020		
	JMMBGL	Access	Total	JMMBGL	Access	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Percentage ownership interest	20%	24.72%		20%	24.72%	
Statement of financial position:						
Intangible assets	20,020	3,317	23,337	16,464	10,797	27,261
Assets	3,525,789	34,583	3,560,372	2,971,181	41,094	3,012,273
Liabilities	(3,123,303)	(20,982)	3,144,285	(2,680,245)	(28,304)	(2,708,549)
Net assets attributable to equity holders (100%)	422,506	16,918	439,424	307,401	23,587	330,988
Non-controlling interests	(10,789)	-	(10,789)	(7,108)	-	(7,108)
Adjusted net assets	411,717	16,918	428,635	300,293	23,587	323,880
Group's share of net assets	82,344	4,182	86,526	60,059	5,831	65,890
Goodwill	35,964	16,276	52,240	35,964	16,276	52,240
Foreign exchange adjustment	4,279	2,626	6,905	(106)	394	288
Carrying amount of investment	122,587	23,084	145,671	95,917	22,501	118,418
Revenue	235,424	14,258	249,682	238,469	17,806	256,275
Profit from continuing operations	51,552	1,825	53,377	51,707	2,067	53,774
Other comprehensive income, net of tax	85,197	534	85,731	(60,750)	293	(60,457)
Total comprehensive income	136,749	2,359	139,108	(9,043)	2,360	(6,683)
Share of total comprehensive income since date of investment:						
Profit from continuing operations	10,316	451	10,767	10,347	91	10,438
Other comprehensive income	17,048	132	17,180	(12,156)	(80)	(12,236)
	27,364	583	27,947	(1,809)	11	(1,798)

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14. Repurchase agreements

The Group sells Government and corporate securities and agrees to repurchase them on specified dates and at specified prices. Investment securities and resale agreements have been pledged by the Group as collateral for repurchase agreements (see note 4 and 5).

	2021 $'000	2020 $'000
Denominated in Jamaica Dollars	17,131	22,115
Denominated in United States Dollars	50,976	55,407
Denominated in Pound Sterling	198	66
Denominated in Canadian Dollars	5	10
Denominated in Euro Dollars	8	11
	68,318	77,609

15. Owed to related parties

	2021 $'000	2020 $'000
Owed to other related parties		
Current accounts	204	(254)
Dividend payable	1,344	1,186
	1,548	932

Current accounts represent accrued management fees and amounts payable to Proven Management Limited.

16. Notes payable

	2021 $'000	2020 $'000
Structured notes [see (i) below]	79,916	74,688
Principal protected notes [see (ii) below]	-	1,547
Margin loans payable [see (iii) below]	188	3,519
Long-term loan [see (iv) below]	44,202	69,424
Other	10,539	5,325
	134,845	154,503

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

16. Notes payable (continued)

(ii) The principal protected notes comprise coupon-rated bonds (the principal) issued and guaranteed by the Group. The returns on these notes are based on the movement in the prices of certain underlying indices (a call warrant purchased by the Group) for which the obligor is an independent third party.

Accordingly, the Group recognises a liability in relation to the principal on its statement of financial position and an asset in relation to the call warrant (see note 5). The note is for a period of 1 year and matured on September 30, 2020, with an interest rate of 1% per annum payable quarterly in arrears up to and including the maturity date.

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

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

(iv) The Group issued a Jamaica dollar Corporate Bond of J$10.5 billion through NCB Capital Markets Limited to assist with the acquisition of ordinary shares in JMMB Group Limited. The bond was issued in two facilities (A and B) with maturity of ten (10) years and six (6) years respectively. As at the reporting date, facility C was not yet been drawn down.

- Facility A represents J$6.4 billion, matures in 10 years, bears fixed interest of 5% per annum for years 1-3, fixed interest of 6.5% per annum for years 4-6, and fixed interest of 7.5% thereafter.
- Facility B represents J$2.9 billion, matures in 6 years, bears fixed interest of 6% per annum for years 1-3 and fixed interest of 7.5% thereafter. The Group opted to repay this facility early on March 11, 2021.
- Facility C represents J$1.2 billion, which will be drawn down for a maximum period of 2 years and bears fixed interest of 6% per annum.

All coupon payments are required to be paid semi-annually.

17. Other liabilities

	2021 $'000	2020 $'000
Interest payable	1,060	1,478
Payable to clients	69	131
Statutory payments	-	79
Accrued charges	996	857
Other	4,752	4,262
	6,877	6,807

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18. Due to customers

	2021 $'000	2020 $'000
Time deposits	15,627	16,498
Interest bearing accounts	1,621	1,883
Non-interest bearing accounts	269,045	232,051
	286,293	250,432

19. Lease liabilities

The Group occupies office spaces on leases that typically run for a period of 5 years, with options to renew. Lease payments are renegotiated to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local market conditions.

The office space leases were negotiated as combined leases of land and buildings and previously were classified as operating leases under IAS 17. Information about leases for which the Group is a lessee is presented below.

Leases as lessee (IFRS 16)

(i) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 9).

	Leasehold properties $'000
Balance at April 1, 2020	1,483
Additions	1,052
Translation adjustment	(20)
	2,515
Accumulated depreciation	(617)
Balance at March 31, 2021	1,898

(ii) Lease liabilities:

Undiscounted cashflows of lease liabilities

	2021 $'000	2020 $'000
Less than one year	388	195
One to five years	1,373	500
More than five years	426	565
	2,187	1,260
Less future interest	(174)	(8)
Carrying amount of lease liabilities	2,013	1,252

19. Lease liabilities (continued)

(iii) Lease liabilities (continued):

Undiscounted cashflows of lease liabilities (continued)

	2021 $'000	2020 $'000
Current	327	189
Non-current	1,686	1,063
	2,013	1,252

(iv) Amounts recognised in profit or loss

	2021 $'000	2020 $'000
Leases under IFRS 16		
Interest on lease liabilities	153	101
Operating leases under IAS 17	-	26

(v) Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	444	316

(vi) Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that if it exercises the extension options, the potential future lease payments would increase the lease liability by $Nil (2020: $107,000).

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20. Deferred tax asset

	2021			
	Balance at March 31, 2020 $'000	Recognised in profit or loss $'000 (note 30)	Recognised in equity $'000	Balance at March 31, 2021 $'000
Property, plant and equipment	23	(9)	-	14
Loans receivable	(27)	-	-	(27)
Other receivables	(423)	54	-	(369)
Unrealised foreign exchange losses, net	465	(246)	-	219
Investment property	(9)	(9)	-	(18)
Investment at FVOCI	1,080	-	(906)	174
Investment at FVPTL	(9)	(2)	-	(11)
Impairment loss on instruments at FVOCI	2	(65)	65	2
Other liabilities	64	2	-	66
Lease liabilities, net	2	14	-	16
Tax losses	24	-	-	24
Exchange difference on translation	11	1	(94)	(82)
Other	21	54	-	75
	1,224	(206)	(935)	83

	2020				
	Balance at March 31, 2019 $'000	Disposal of subsidiary $'000	Recognised in profit or loss $'000 (note 30)	Recognised in other comprehensive income $'000	Balance at March 31, 2020 $'000
Property, plant and equipment	19	-	4	-	23
Loans receivable	1,060	(1,087)	-	-	(27)
Other receivables	(417)	-	(6)	-	(423)
Unrealised foreign exchange losses, net	499	-	(34)	-	465
Investment property	(9)	-	-	-	(9)
Investment at FVOCI	411	-	-	669	1,080
Investment at FVPTL	80	-	(89)	-	(9)
Impairment loss on instruments at FVOCI	-	-	(110)	112	2
Other liabilities	81	(33)	16	-	64
Lease liabilities, net	-	-	2	-	2
Tax losses	24	-	-	-	24
Exchange difference on translation	21	(2)	-	(8)	11
Other	(1)	(26)	48	-	21
	1,768	(1,148)	(169)	773	1,224

21. Preference shares

	2021 $'000	2020 $'000
Manager's preference shares [see (i)]	1	1
8.25% Cumulative redeemable preference shares [see (ii)]		

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

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

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

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

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

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

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

22. Share capital

	2021 $	2020 $
Authorised:		
2,999,990,000 Ordinary shares, par value US$0.01 each	29,999,900	29,999,900
10,000 Manager's Preference Shares, par value US$0.01 each	100	100
300,000,000 8.25% Cumulative Redeemable Preference Shares, par value US$0.01 each	3,000,000	3,000,000
700,000,000 cumulative redeemable Preference share, par value US$0.01 each	7,000,000	7,000,000
	40,000,000	40,000,000

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22. Share capital (continued)

	2021 Units	2020 Units	2021 $'000	2020 $'000
Issued and fully paid:				
Ordinary shares	759,432,000	625,307,963	115,754	86,716
Manager's Preference Shares	10,000	10,000	1	1
			115,755	86,717
Less: Preference shares classified as liability (see note 21)			(1)	(1)
			115,754	86,716

(a) On November 5, 2020, the Board of Directors passed a resolution for the issue of shares through an additional public offer thereby approving the issue up to 134,124,037 ordinary shares for $29,038,000. The total shares approved for issue through the additional public offer was fully subscribed.

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

(c) The rights and entitlements of the holders of the preference shares are set out in note 21.

23. Fair value reserve

This represents the cumulative net unrealised gains and losses in fair value, net of taxation, on the revaluation of FVOCI investment securities, and remains until the securities are derecognised or impaired.

24. Foreign exchange translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

25. Non-controlling interest

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

	2021		
	Boslil Bank Limited $'000	Intra-group adjustments $'000	Total $'000
NCI percentage	**25%**		
Total assets	316,240		
Total liabilities	(288,571)		
Net assets	27,669		
Carrying amount of NCI	6,917	827	7,744
Revenue	7,211		
Profit for the year	6,258		
Profit allocated to NCI	1,565	-	1,565

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25. Non-controlling interest (continued)

	2021		
	Boslil Bank Limited $'000	Intra-group adjustments $'000	Total $'000
OCI for the year	2,789	-	2,789
OCI allocated to NCI	697	-	697
Cash flows from operating activities	52,768		
Cash flows from investment activities	(500)		
Cash flows from financing activities	(3,826)		
Net decrease in cash and cash equivalents	48,442		

	2020		
	Boslil Bank Limited $'000	Intra-group adjustments $'000	Total $'000
NCI percentage	**25%**		
Total assets	274,981		
Total liabilities	(252,649)		
Net assets	22,332		
Carrying amount of NCI	5,583	827	6,410
Revenue	9,559		
Profit for the year	4,847		
Profit allocated to NCI	1,212	1,051	2,263
OCI for the year	(3,240)	-	(3,240)
OCI allocated to NCI	(810)	-	(810)
Cash flows from operating activities	28,777		
Cash flows from investment activities	(1,351)		
Cash flows from financing activities	(2,482)		
Net decrease in cash and cash equivalents	24,944		

26. Net interest income

	2021 $'000	2020 $'000
Interest income, calculated using the effective interest method:		
GOJ benchmark investment notes	842	950
Regional and corporate bonds	3,999	7,059
Global bonds	3,063	3,283
Resale agreements	11	252
Corporate notes	405	271
Other loans receivable	934	6,885
Other	1,328	1,585
	10,582	20,285

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26. Net interest income (continued)

	2021 $'000	2020 $'000
Interest expense, calculated using the effective interest method:		
Interest on margin loans	3	245
Repurchase agreements	1,208	1,552
Notes payable	5,428	5,756
Finance cost	72	101
Other	834	1,453
	7,545	9,107
Net interest income	3,037	11,178

27. Net fair value adjustments and realised gains

	2021 $'000	2020 $'000
Fair value adjustment for investment property (note 10)	951	952
Fair value gains on fixed income securities	5,138	2,760
Fair value (losses)/gains on equity securities	(11)	16
Unrealised fair value gains on investments	1,254	55
	7,332	3,783

28. Staff costs

	2021 $'000	2020 $'000
Salaries, wages and related costs	6,459	9,944
Bonus and ex-gratia payments	864	855
Statutory payroll contributions	812	712
Pension costs - defined contribution plan	94	81
Staff welfare	133	173
Other	1,219	1,111
	9,581	12,876

Included in staff costs are the following directors' and key management's emoluments:

Fees	140	326
Management remuneration	1,454	1,667

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29. Other operating expenses

	2021 $'000	2020 $'000
Audit fees	275	318
Bad debt recovery, net	23	-
Irrecoverable GCT	270	507
Insurance	52	117
Legal and other professional fees	1,294	1,836
Licenses and permits	481	561
Marketing and advertising	372	919
Miscellaneous	142	335
Management fees [note 31(f)]	2,462	1,893
Irrecoverable income tax withheld	53	68
Office rent	317	669
Commission expenses and fees	650	830
Printing and stationery	89	166
Repairs and maintenance	1,080	1,053
Subscriptions and donations	78	105
Travelling	40	368
Utilities	182	370
Other operating expenses	738	1,752
	8,598	11,867

30. Taxation

(a) Depending on the jurisdiction and nature of business, income tax is computed at 1% and 33⅓% of profit for the year as adjusted for tax purposes, and is made up as follows:

	2021 $'000	2020 $'000
(i) Current tax charge:		
Charge on current period's profits:		
Income tax at 1%	-	254
Income tax at 2.74%	113	287
Income tax at 33⅓%	1,130	1,213
	1,243	1,754
(ii) Deferred tax (note 20): Origination and reversal of temporary differences	206	169
(iii) Prior year over-provision	(417)	(23)
Total income tax charge	1,032	1,900

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30. Taxation (continued)

(b) Reconciliation of actual tax expense:

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

	2021 $'000	2020 $'000
Profit before taxation	5,458	34,142
Computed "expected" tax expense at 1%	47	231
Computed "expected" tax expense at 2.74%	-	1
Computed "expected" tax expense at 33⅓%	1,653	1,576
	1,700	1,808
Difference between profits for financial statements and tax reporting purposes on:		
Depreciation charge and capital allowances	(26)	47
Income exempt from income tax	(373)	(394)
Financial asset at fair value	(5)	(39)
Provision for loan loss	(15)	86
Prior period over accrual	(417)	(23)
Other	168	415
Actual tax expense	1,032	1,900

31. Related party transactions

(a) Definition of related party

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

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

(1) has control or joint control over the Company;

(2) has significant influence over the Company; or

(3) is a member of the key management personnel of the Company or of a parent of the Company.

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

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

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

(3) Both entities are joint ventures of the same third party.

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

31. Related party transactions (continued)

(a) Definition of related party (continued)

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

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

(6) The entity is controlled, or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of companies of which it is a part, provides key management personnel services to the Group.

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

(b) Identity of related parties

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

(c) The Group has engaged a related party, Proven Management Limited, to provide investment management services in relation to financial instruments held in a number of funds, and the business and operations of the Group, for a fee. The fee is charged at 2% of the Group's Average Net Asset Value in the financial year [see note 31(f)].

	2021 $'000	2020 $'000
Investment management fees paid for the year	2,259	2,173
Fees under /(over) accrued at end of year	203	(280)
	2,462	1,893

(d) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the relevant activities of the Group, directly or indirectly. Such persons comprise the directors and executive officers. Key management compensation for the year is included in staff costs (note 28).

(e) The statement of financial position includes balances, arising in the ordinary course of business, with its directors and key management, as follows:

	2021 $'000	2020 $'000
Loan receivable	1,671	1,467
Other receivables	-	8
Interest Payable	1	-

Other amounts with related parties are disclosed in note 16.

31. Related party transactions (continued)

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

	2021	2020
	$'000	$'000
MPS Holding Limited		
Dividends paid	2,743	8,605
Proven Management Limited		
Management fees	2,462	1,893

32. Earnings per stock unit

Earning per stock unit ("EPS") is computed by dividing the profit attributable to stockholders of the parent, of $11,532,000 (2020: $29,979,000), by the weighted average number of ordinary stock units in issue during the year, numbering 759,432,000 (2020: 625,307,963).

33. Distribution to equity holders

	2021	2020
	$'000	$'000
Distribution to ordinary shareholders of		
at 0.66¢ (2020: 1.37¢) per stock unit - parent	5,036	8,581
- non-controlling interest	928	1,100
	5,964	9,681

34. Segment financial information

The Group is organised into four main business segments:

(a) Wealth Management - this incorporates financial and related services such as securities brokering, stock brokering, portfolio planning and funds management.

(b) Retail Lending - this incorporates personal and non-personal banking services.

(c) Private Banking - This incorporates banking services, deposit accounts, credit and debit cards and cash-collaterised lending.

(d) Real Estate and Other – this incorporates real estate investment, real estate development for residential and commercial purposes and other non-trading subsidiaries.

Transactions between the business segments are on normal commercial terms and conditions.

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34. Segment financial information (continued)

Segment assets and liabilities comprise operating assets and liabilities, being the majority of items on the statement of financial position, but exclude items such as taxation, share of profit of associate and preference share. Eliminations comprise intercompany transactions and balances.

	2021					
	Wealth management $'000	Private banking $'000	Retail lending $'000	Real estate & other $'000	Eliminations $'000	Group $'000
Gross revenue	32,041	11,107	-	4,524	-	47,672
Inter-segment revenue	(11,635)	(209)	-	(1,334)	-	(13,178)
Revenue from external customers	20,406	10,898	-	3,190	-	34,494
Segment results	13,209	6,258	-	(1,331)	(11,963)	6,173
Preference share dividend						(2,743)
Share of profit of associates	10,316	-	451	(68)	-	10,699
Profit before income tax						14,129
Taxation						(1,032)
Profit for the year						13,097
Total segment assets	295,371	316,240	-	140,600	(77,669)	674,542
Total segment liabilities	163,892	288,571	-	68,040	(15,386)	505,117
Interest income	6,958	4,334	-	63	(773)	10,582
Interest expense	(4,581)	(59)	-	(3,678)	773	(7,545)
Depreciation and amortisation	338	521	-	19	990	1,868

	2020					
	Wealth management $'000	Private banking $'000	Retail lending $'000	Real estate & other $'000	Eliminations $'000	Group $'000
Gross revenue	53,146	10,538	9,080	12,997	-	85,761
Inter-segment revenue	(2,487)	(3,800)	-	(136)	-	(6,423)
Revenue from external customers	50,659	6,738	9,080	12,861	-	79,338
Segment results	37,303	4,847	2,141	(629)	(11,353)	32,309
Preference share dividend						(8,605)
Share of profit of associates	10,347	-	91	-	-	10,438
Profit before income tax						34,142
Taxation						(1,900)
Profit for the year						32,242
Total segment assets	282,814	274,981	-	129,743	(87,139)	600,399
Total segment liabilities	164,063	252,649	-	87,326	(9,059)	494,979
Interest income	7,501	6,714	6,212	80	(222)	20,285
Interest expense	(4,284)	(291)	(772)	(3,982)	222	(9,107)
Depreciation and amortisation	214	370	121	18	1,273	1,996

34. Segment financial information (continued)

The geographic information analyses the Group’s external revenue and non-current assets by the Company’s country of domicile and other countries. In presenting the geographic information below, segment revenue is based on the geographic location of the customers and segment assets are based on the geographic location of the assets.

	2021					
	St. Lucia $’000	Jamaica $’000	Cayman $’000	Other $’000	Eliminations $’000	Total $’000
External revenues	18,111	11,989	4,394	-	-	34,494
Non-current assets	146,320	98,267	19	-	(62,934)	181,672

	2020					
	St. Lucia $’000	Jamaica $’000	Cayman $’000	Other $’000	Eliminations $’000	Total $’000
External revenues	51,513	19,977	5,669	2,179	-	79,338
Non-current assets	135,408	96,634	30	1,544	(78,458)	155,158

35. Financial instruments - risk management

(a) Introduction and overview:

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

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

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

(i) Investment Management Committee
(ii) Audit Committee

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

35. Financial instruments - risk management

(a) Introduction and overview:

The Group accepts investments from customers at both fixed and floating rates and for various periods and seeks to earn above-average interest margins by investing these funds in high quality assets.

The Group seeks to increase these margins by consolidating short-term funds and investing for longer periods at higher rates while maintaining sufficient liquidity to meet encashments as they fall due.

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

Impact of Covid 19

In March 2020, the World Health Organization (WHO) declared the Coronavirus (COVID-19) a pandemic. The pandemic has resulted in a significant downturn in economic activity as the measures recommended to manage the contagion have triggered significant disruptions to businesses worldwide, resulting in economic slowdown. Global stock markets also experienced great volatility and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Measures Adopted

For Proven, the appropriate measures were taken by management to mitigate any impact of the pandemic. These included but are not limited to:

1. The implementation of a Group Liquidity Assessment and Strategy Response, which included a Liquidity Recovery Plan for all subsidiaries and related entities guided by the recommendations of the regulators. The key aspects of the Plan are aimed at:
   - Assessing the daily inflow and outflow of funds (liquidity forecasting)
   - Identifying and assessing the adequacy of financial resources for contingent needs
   - Implementing measures geared at strengthening the entity’s capital base
   - Clear description of the escalation and decision-making process in place to ensure that the Plan is executed timely.

2. The Investment Management Committee and Asset & Liabilities Committee within the Group meet frequently to remain current in the monitoring and management of liquidity and capital issues that might arise.

3. The implementation of Group-wide policies and technological infrastructural changes, designed to position the organisation to work from home.

35. Financial instruments - risk management (continued)

(a) Introduction (continued):

Measures Adopted

4. Implementing measures to assist clients during the crisis, including:
    - Considerations for payments moratorium where required.
    - Endorsing and encouraging the use of digital mediums for transactions and where possible, waiving associated fees.
    - Revisiting loan terms to facilitate revisions where possible.

(b) Credit risk:

Management of credit risk attaching to key financial assets

Investment securities and loans receivable

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, the associated loss ratios and the default correlations between counterparties.

The Group uses ECL models developed by independent service providers to determine the ECL allowances for its investments and loans receivable. The models measure credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). The Group uses a provision matrix in applying the simplified model for trade receivables.

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

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, the associated loss ratios and the default correlations between counterparties.

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

The COVID-19 pandemic has caused significant market volatility which has increased the Group's credit risk exposure. The downgrading of credit ratings and falling market prices resulted in an increase in the ECL due to the changes occurring in market conditions. The repositioning of the financial assets portfolio across the Group has served to significantly reduced the negative market impacts on the ECL position during the financial year.

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35. Financial instruments - risk management (continued)

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Investment securities and loans receivable (continued)

The following table sets out information about the credit quality of financial assets measured at amortised cost, FVOCI debt instruments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments, the amounts in the table represent the amounts committed.

- Debt securities and other financial assets at amortised cost:

	2021		
	Stage 1	Stage 2	Total
	$'000	$'000	$'000
Credit grade			
Cash and cash equivalents and resale agreements	158,316	-	158,316
Other assets	13,850	-	13,850
Investment grade securities	19,669	-	19,669
Non-investment grade securities	19,767	5,551	25,318
	211,602	5,551	217,153
Allowance for impairment losses	(346)	(28)	(374)
	211,256	5,523	216,779

	2020		
	Stage 1	Stage 2	Total
	$'000	$'000	$'000
Credit grade			
Cash and cash equivalents and resale agreements	100,371	-	100,371
Other assets	12,993	-	12,993
Investment grade securities	7,386	4,802	12,188
Non-investment grade securities	16,924	-	16,924
	137,674	4,802	142,476
Allowance for impairment losses	(306)	(77)	(383)
	137,368	4,725	142,093

- Debt securities at FVOCI:

	2021			2020		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Credit grade						
Investment grade	143,734	-	143,734	191,324	4,276	195,600
Non-investment grade	58,066	-	58,066	52,480	-	52,480
	201,800	-	201,800	243,804	4,276	248,080
ECL charge	(463)	-	(463)	(802)	(146)	(948)

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35. Financial instruments - risk management (continued)

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Investment securities and loans receivable (continued)

- Loans receivable at amortised cost:

	2021		
	Stage 1 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable			
Current	14,583	-	14,583
Over 90 days	17,630	75	17,705
	32,213	75	32,288
Loss allowance	(251)	(75)	(326)
Total	31,962	-	31,962
Guarantees and letters of credit			
Loss allowance	(279)	-	(279)

	2020		
	Stage 1 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable			
Current	14,246	-	14,246
Over 90 days	14,730	88	14,818
	28,976	88	29,064
Loss allowance	(121)	(88)	(209)
Total	28,855	-	28,855
Guarantees and letters of credit			
Loss allowance	(380)	-	(380)

The key judgements and assumptions adopted by the Group in addressing the requirements of IFRS 9 are discussed below:

Credit risk grades

The Group uses internal credit risk gradings that reflect its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty.

35. Financial instruments - risk management (continued)

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

The key judgements and assumptions adopted by the Group in addressing the requirements of IFRS 9 are discussed below (continued):

Credit risk grades (continued)

Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for personal exposures; and turnover and industry type for commercial exposures) is fed into this rating model. This is supplemented with external data such as credit bureau scoring information on individual borrowers. In addition, the models incorporate expert judgement from the Credit Risk Officers in determining the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the standard data inputs into the model.

For debt securities in the Treasury portfolio, external rating agency credit grades are used. These published grades are monitored and regularly updated. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

Determining whether credit risk has been increased significantly (Stage 2)

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in Probabilities of Default (PD). Credit risk is deemed to increase significantly where the probability of default on a security or a loan has moved by six (6) basis points;
- qualitative indicators; and
- a backstop of 30 days past due, determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

35. Financial instruments - risk management (continued)

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Incorporation of forward-looking information

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

Expert judgment has also been applied in this process. Forecasts of these economic variables (the "base economic scenario") are provided by the Group's Finance team and provide the best and worst estimate view of the economy.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing a trend analysis and comparing historical information with forecast macro-economic data to determine whether the indicator describes a positive, negative or stable trend and to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Group considers other possible scenarios and scenario weightings. The Group concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Each scenario considers the expected impact of interest rates, unemployment rates and gross domestic product (GDP).

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change etc. - are monitored and reviewed on a quarterly basis.

35. Financial instruments - risk management

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following:

Life time PD models calculate probabilities of default at a minimum of an annual frequency all the way out for 20 years. Beyond 20 years, due to lack of available data and the challenge of predicting PDs this far into the future, the model assumes that the 20 year annual marginal PD holds constant from the 20 year mark until maturity.

LGD is the magnitude of the likely loss if there is a default. The recovery rate model provides transparent, timely (point-in-time), quantitative estimates of recovery rates of issues within different liability classes of a given counterparty.

The bond recovery rate model is based on historically realised recovery rates of defaulted bonds. Realised recovery rates are defined as the trading price of defaulted bonds approximately 30 days after default. Effectively, the model is a non-linear factor based model. Historical recovery rate data was compared to a variety of factors in order to determine correlations between these factors and the amount recovered (as defined above). These correlations were then used to determine the coefficients in a non-linear factor model which is used for projecting recovery rates and losses prospectively. The output from this model can be used either on a stand-alone basis to estimate recovery by specific liability class upon default, or as inputs to a more comprehensive portfolio credit risk management system.

EAD represents the expected exposure in the event of a default. The Group uses an established third party service provider to determine client-specific exposure at default ("EAD") amounts on a position-by position or lot-by-lot basis. In preparing the full lifetime ECL calculation, the EAD is calculated at annual intervals from the reporting date out to maturity. The reporting date, transaction date and transaction price are used to calculate the accounting exposure at default. If not provided, an accounting effective interest rate is calculated using the transaction date and price (see section below) and is applied to the future cash flows of the particular instrument to discount these cash flows. This is done on an annual basis from reporting date out to maturity.

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35. Financial instruments - risk management

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

- Debt securities, loans receivable and resale agreements at amortised cost:

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at March 31, 2019	(1,623)	(211)	(1,799)	(3,633)
Net re-measurement of loss allowance	(473)	(76)	85	(464)
Movement on ECL as a result of disposal of subsidiary	3,341	-	-	3,341
Adjustments	(1,836)	210	1,626	-
Foreign currency adjustment	(216)	-	-	(216)
Balance at March 31, 2020	(807)	(77)	(88)	(972)
Net re-measurement of loss allowance	(8)	49	13	54
Foreign currency adjustment	(61)	-	-	(61)
Balance at March 31, 2021	(876)	(28)	(75)	(979)

- Debt securities at FVOCI:

	Stage 1 $'000	Stage 2 $'000	Total $'000
Balance at March 31, 2019	(1,132)	(8)	(1,140)
Net re-measurement of loss allowance	199	(131)	68
Foreign currency adjustment	124	-	124
Balance at March 31, 2020	(809)	(139)	(948)
Net re-measurement of loss allowance	320	139	459
Foreign currency adjustment	26	-	26
Balance at March 31, 2021	(463)	-	(463)

35. Financial instruments - risk management

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (continued)

Loss allowance (continued)

(i) Maximum exposure to credit risk:

The Group manages its credit risk exposure as follows:

- Cash and cash equivalents

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

- Resale agreements

  Collateral is held for resale agreements in amounts that secure the collection of both principal and interest.

- Investment securities

  The Group manages the level of risk it undertakes by investing substantially in sovereign debt instruments and with other counterparties that have acceptable credit ratings.

- Accounts receivable

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

- Loans receivable

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

(b) Credit risk (continued):

(ii) Concentration of credit risk:

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

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35. Financial instruments - risk management (continued)

(c) Liquidity risk:

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

Impact of COVID 19 on the Group's Liquidity:

- PROVEN Investments Limited – the Company has implemented contingency funding arrangements at premium cost of funding and repositioned its portfolio to strengthen the liquidity position. Strategic focus was shifted to pivot around the effects of the pandemic to strengthen the revenue generating lines of the Company.

- BOSLIL Bank Limited –The contractual obligations of the Customer deposits held by the company requires a significant cash resource which was threatened by the liquidity challenges posed by the pandemic. The company took active steps at the beginning of the year to manage large client exposures thus reducing the potential impact of withdrawals, reposition its investment portfolio to strengthen its liquidity position and received as a capital buffer, injection from the parent company to prevent any erosion in the capital base from falling market prices on the company's capital position. During the financial year there was recovery in the financial markets, which has positively impacted the investment portfolio of the Bank.

- PROVEN Wealth Limited – the company has implemented liquidity enhancement measures as part of its Liquidity Recovery Plan. These – included, as required:

  - Utilizing the provisions put in place by the Central Bank through deposit taking institutions to increase liquidity.
  - Access the overdraft facilities in place with its main banking provider.
  - Sale of securities to the market.

- Access Financial Services Limited – The impact of COVID-19 on AFSL loan portfolios resulted in increased credit risk due to higher delinquency levels, and increased liquidity risk due to lower cash inflows from customer loan repayments and/or deferral of loan payments. The increased exposures from these risks were managed by the Crisis Management Team throughout the year.

35. Financial instruments - risk management (continued)

(c) Liquidity risk:

Impact of COVID 19 on the Group's Liquidity (continued):

The liquidity position of the company remains strong and as such these provisions have not been utilised. During the year the company observed a general recovery in fair value of its investment portfolio. Management has performed various assessments and stress testing of its business plans under multiple scenarios, as part of its business continuity and contingency planning. The risks of the proprietary and investment portfolio have also been examined by the management team particularly with respect to market and liquidity risks exposures and no deterioration is noted.

International Financial Planning Ltd. – The company's future earnings could be affected, should there be a change in consumer sentiment as it relates to how they choose to invest their disposable income, which could be threatened through job losses from business curtailments due to the pandemic. As it relates to existing business the contractual terms provide a deterrent towards withdrawals so significant erosion in current written business is not anticipated.

(i) Liquidity risk management:

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

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates collateral which could be used to secure funding if required;

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

(iii) Optimising cash returns on investment;

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

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

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35. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(i) Liquidity risk management (continued):

(v) Managing the concentration and profile of debt maturities (continued).

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

	2021						
	0-30 days	31-90 days	91-365 days	366 days to 5 years	No specific maturity date	Total contractual outflow	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Repurchase agreements	33,483	29,013	5,244	881	-	68,621	68,318
Owed to related parties	-	-	-	-	1,548	1,548	1,548
Notes payable	11,248	537	28,330	132,989	-	173,104	134,845
Other liabilities	2,550	-	-	-	4,330	6,880	6,877
Due to banks	420	-	100	-	-	520	520
Due to customers	279,630	2,029	4,647	-	-	286,306	286,293
Deferred income	-	-	-	3,910	-	3,910	3,910
Preference shares	-	-	-	-	1	1	1
Lease liabilities	22	46	320	1,373	-	1,761	2,013
Total financial liabilities	327,353	31,625	38,641	139,153	5,879	542,651	504,325

	2020						
	0-30 days	31-90 days	91-365 days	366 days to 5 years	No specific maturity date	Total contractual outflow	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Repurchase agreements	46,365	25,218	5,567	900	-	78,050	77,609
Owed to related parties	-	-	-	-	932	932	932
Notes payable	28	5,706	35,168	157,435	5,709	204,046	154,503
Other liabilities	2,278	-	-	13	4,516	6,807	6,807
Due to banks	420	-	-	-	-	420	420
Due to customers	242,876	3,166	4,222	204	-	250,468	250,432
Deferred income	-	-	-	1,813	-	1,813	1,813
Preference shares	-	-	-	-	1	1	1
Lease liabilities	13	31	242	410	565	1,261	1,252
Total financial liabilities	291,980	34,121	45,199	160,775	11,723	543,798	493,769

(d) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

These arise mainly from changes in interest rate, foreign currency rates and equity prices and will affect the Group's income or the value of its holdings of financial instruments.

Market risk is monitored by the Investment Management Committee which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

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

The COVID-19 pandemic has caused significant market volatility which has increased the Group's market risk exposure. The downgrading of credit ratings and/or outlooks for investment securities has increased the cost of funding to manage liquidity risk. Falling prices have also impacted the value of securities held and contributed to a decline in net interest income. The reposition of the financial assets portfolio across the Group has served to significantly reduced the negative market risk impacts during the financial year.

(i) Foreign currency risk:

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

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

	2021					
	JMD	GBP	CAD	EUR	AUD	Other
	$'000	£'000	$'000	€'000	$'000	$'000
Assets						
Cash and cash equivalents	416,739	5,963	2,501	11,995	9,351	4,232
Resale agreements	790,702	-	-	-	-	-
Investment securities	3,567,772	6,791	-	16,838	772	719
Loans receivable	2,111,514	-	-	-	-	163
Other	1,494,430	-	-	-	-	1,022
	8,381,157	12,754	2,501	28,833	10,123	6,136
Liabilities						
Repurchase agreements	2,502,322	-	-	-	-	-
Owed to related parties		144	10	-	-	-
Notes payable	8,153,810	-	-	-	-	-
Deposits from other banks	-	12,390	2,291	28,622	10,104	4,813
Due to customers	-	-	-	-	-	-
Other	610,142	8	-	4	-	1,459
	11,266,274	12,542	2,301	28,626	10,104	6,272
Net position	(2,885,117)	212	200	207	19	(136)

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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

	2020					
	JMD $'000	GBP £'000	CAD $'000	EUR €'000	AUD $'000	Other $'000
Assets						
Cash and cash equivalents	609,710	6,511	3,035	3,804	8,854	2,872
Resale agreements	574,092	-	-	-	-	-
Investment securities	3,459,645	5,778	-	15,513	588	161
Loans receivable	1,180,927	-	-	-	-	-
Other	2,492,457	-	2	-	1	20
	8,316,831	12,289	3,037	19,317	9,443	3,053
Liabilities						
Repurchase agreements	3,019,841	53	15	-	-	-
Owed to related parties	1,253	-	-	-	-	-
Notes payable	11,099,664	-	-	-	-	-
Due to customers	-	12,409	2,968	19,688	9,423	2,975
Other	1,408,871	12	-	1	-	1,452
	15,529,629	12,474	2,983	19,689	9,423	4,427
Net position	(7,212,798)	(185)	54	(372)	20	(1,374)

Sensitivity to exchange rate movements:

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

35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

Sensitivity to exchange rate movements (continued):

	2021					
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:						
JMD	2% Revaluation	(407)	-	6% Devaluation	1,127	-
GBP	2% Revaluation	3	-	6% Devaluation	(8)	-
CAD	2% Revaluation	5	-	6% Devaluation	(14)	-
AUD	2% Revaluation	-	-	6% Devaluation	-	-
EUR	2% Revaluation	3	-	6% Devaluation	(10)	-

	2020					
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:						
JMD	2% Revaluation	(1,099)	-	6% Devaluation	3,047	-
GBP	2% Revaluation	(3)	-	6% Devaluation	9	-
CAD	2% Revaluation	2	-	6% Devaluation	(4)	-
AUD	2% Revaluation	1	-	6% Devaluation	(1)	-
EUR	2% Revaluation	(7)	-	6% Devaluation	19	-

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Notes to the Consolidated Financial Statements (Continued)
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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk:

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

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

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

	2021						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non-interest sensitive $'000	Total $'000
Assets							
Cash and cash equivalents	74,199	27,090	-	-	-	50,570	151,859
Resale agreements	3,623	1,035	-	-	-	1,800	6,458
Investment securities	27,860	18,702	22,620	116,314	73,335	6,460	265,291
Loans receivable	9,772	3,939	2,930	14,420	901	-	31,962
Other assets	6,444	-	4	-	-	7,546	13,994
Total assets	121,898	50,766	25,554	130,734	74,236	66,376	469,564
Liabilities							
Repurchase agreements	33,428	28,871	5,161	858	-	-	68,318
Owed to related parties	-	-	-	-	-	1,548	1,548
Notes payable	28,582	-	12,596	49,304	44,175	188	134,845
Other liabilities	-	-	-	-	786	6,091	6,877
Deposits from other banks	-	-	100	-	-	420	520
Due to customers	10,961	2,028	4,549	-	-	268,755	286,293
Deferred income	-	-	-	-	-	3,910	3,910
Lease liabilities	25	53	248	1,261	426	-	2,013
Preference shares	-	-	-	-	-	1	1
Total liabilities	72,996	30,952	22,654	51,423	45,387	280,913	504,325

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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

	2021						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non-interest sensitive $'000	Total $'000
Interest rate sensitivity gap	48,902	19,814	2,900	79,311	28,849	(214,537)	(34,761)
Cumulative interest rate sensitivity gap	48,902	68,716	71,616	150,927	179,776	(34,761)	-

	2020						
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	Non-interest sensitive $'000	Total $'000
Assets							
Cash and cash equivalents	22,841	14,922	-	-	-	56,866	94,629
Resale agreements	1,457	-	2,389	-	-	1,896	5,742
Investment securities	10,489	9,880	37,080	155,018	78,906	23	291,396
Loans receivable	7,847	4,600	3,100	13,306	-	2	28,855
Other assets	6,678	-	-	-	-	6,315	12,993
Total assets	49,312	29,402	42,569	168,324	78,906	65,102	433,615
Liabilities							
Repurchase agreements	37,643	25,081	5,483	878	-	8,524	77,609
Owed to related parties	10	-	-	-	-	922	932
Notes payable	10,336	5,158	33,863	32,195	69,424	3,527	154,503
Other liabilities	-	-	-	-	585	6,222	6,807
Deposits from other banks	-	-	-	-	-	420	420
Due to customers	10,819	3,162	4,200	200	-	232,051	250,432
Deferred income	-	-	-	-	-	1,813	1,813
Lease liabilities	13	30	144	500	565	-	1,252
Preference shares	-	-	-	-	-	1	1
Total liabilities	58,821	33,431	43,690	33,773	70,574	253,480	493,769
Interest rate sensitivity gap	(9,509)	(4,029)	(1,121)	134,551	8,332	(188,378)	(60,154)
Cumulative interest rate sensitivity gap	(9,509)	(13,538)	(14,659)	119,892	128,224	(60,154)	-

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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

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

	2021		2020	
	JMD	USD	JMD	USD
	%	%	%	%
Assets				
Resale agreements	2.33	2.20	3.23	3.15
Investment securities	3.15	6.45	4.65	6.23
Loans receivable	6.78	4.68	7.49	3.61
Liabilities				
Repurchase agreements	1.78	2.17	2.11	2.09
Notes payable	4.04	2.38	3.49	2.95
Preference shares	16.27	-	16.27	-

Sensitivity to interest rate movements

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

	2021	2020
J$ interest rates	Increase by 100 bps	Increase by 100 bps
US$ interest rates	Decrease by 100 bps	Decrease by 100 bps
US$ interest rates	Increase by 100 bps	Increase by 100 bps
	Decrease by 100 bps	Decrease by 100 bps

	2021		2020	
	Effect on profit	Effect on equity	Effect on profit	Effect on equity
	$'000	$'000	$'000	$'000
Direction of change in basis points:				
Increase in interest rates	(9)	1,006	(240)	1,272
Decrease in interest rates	9	(2,173)	266	(3,321)

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35. Financial instruments - risk management (continued)

(d) Market risk (continued):

(iii) Price risk:

Sensitivity to equity price movements

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

The Group's exposure to price risk is represented by the total carrying value of equity investments on the statement of financial position of $7,547,000 (2020: $1,857,400).

A 5% (2020: 5%) increase in stock prices at March 31, 2021 would have increased profit by $377,300 (2020: $92,800); a 5% (2020: 10%) decrease in stock prices as at the reporting date would result in a decrease in profit by $377,300 (2020: $185,700.

(e) Capital management:

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

(i) To comply with the capital requirements set by the Financial Services Commission ("the FSC") in Jamaica and Financial Services Regulatory Authority ('the FSA) in St. Lucia;

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

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

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

The FSC requires each securities dealer to:

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

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

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35. Financial instruments - risk management (continued)

(e) Capital management (continued):

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

- Tier 1 capital: issued and fully paid-up capital in the form of ordinary shares, retained earnings and reserves; and
- Tier 2 capital: redeemable cumulative preference shares.

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

St. Lucia regulator, (the FSA) requires each bank or banking group to:

(i) hold the minimum level of the regulatory capital of $1,000,000, and

(ii) maintain a ratio of total regulatory capital to risk-weighted assets (the "Basel capital ratio") at or above the prescribed regulatory minimum and maintain a ratio of total regulatory Tier 1 capital to risk-weighted assets (the "Basel capital adequacy ratio") at or above the prescribed regulatory minimum.

Investments in associates are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees.

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

	Proven Wealth Limited		International Financial Planning Jamaica Limited		BOSLIL Bank Ltd	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 capital:						
Ordinary shares	460	498	4,713	5,098	8,277	8,277
Retained earnings and reserves	14,443	16,461	(3,391)	(3,719)	19,843	17,295
Total qualifying tier 1 capital	14,903	16,959	1,322	1,379	28,120	25,572
Tier 2 capital:						
Unrealised losses	-	-	-	-	(451)	(3,240)
Redeemable preference shares, being total qualifying tier 2 capital	230	249	-	-	-	-
Total regulatory capital	15,133	17,208	1,322	1,379	27,669	22,332
Total risk-weighted assets	69,608	84,869	1,313	1,462	238,064	220,480

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35. Financial instruments - risk management (continued)

(e) Capital management (continued):

The Commission and the Authority require the subsidiaries to maintain certain specific ratios, as follows:

	Proven Wealth Limited		International Financial Planning Jamaica Limited		BOSLIL Bank Ltd	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
(i) Tier 1 capital to total regulatory capital:						
Minimum required	50.00%	50.00%	50.00%	50.00%	-	-
Actual	98.48%	99.00%	100.00%	100.00%	-	-
(ii) Regulatory capital to total assets:						
Minimum required	6.00%	6.00%	6.00%	6.00%	-	-
Actual	14.20%	14.00%	95.27%	91.64%	-	-
(iii) Regulatory capital to risk-weighted assets:						
Minimum required	10.00%	10.00%	10.00%	10.00%	-	-
Actual	21.74%	20.28%	100.00%	94.31%	-	-
(iv) Basel capital ratio:						
Minimum required					4.00%	4.00%
Actual					11.8%	11.42%
(v) Basel capital adequacy ratio:						
Minimum required					8.50%	8.00%
Actual					11.62%	9.97%

36. Financial instruments – fair values

(a) Definition and measurement of fair values

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

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

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

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

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Notes to the Consolidated Financial Statements (Continued)
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36. Financial instruments – fair values (continued)

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

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

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

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

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

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Notes to the Consolidated Financial Statements (Continued)
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36. Financial instruments – fair values (continued)

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

Type	**Valuation techniques**
Credit-linked notes	• Obtain price based on the quoted price of the underlying credit default swap which is derived from Bloomberg on the valuation date, plus the valuation of the underlying note. • Apply price to estimate fair value.

(c) Accounting classifications and fair values:

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

Where the carrying amounts of financial assets and financial liabilities are measured at fair value, their levels in the fair value hierarchy are also shown. The Group does not disclose the fair values of cash and cash equivalents, loans receivable and notes payable because the carrying amounts of these financial instruments are a reasonable approximation of their fair values and are all considered to be within the level two fair value hierarchy.

	2021						
	Carrying amount				Fair value		
	Amortised cost	Financial assets at FVOCI	Financial assets at FVTPL	Total	Level 1	Level 2	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Quoted equities	-	-	7,547	7,547	6,557	990	7,547
Global bonds	18,538	148,252	-	166,790	145,518	21,405	166,923
Government of Jamaica securities	-	26,853	-	26,853	-	26,853	26,853
Corporate bonds	8,850	17,581	-	26,431	-	26,431	26,431
Certificate of deposit	17,446	2,000	-	19,446	-	19,446	19,446
Foreign sovereign debt	-	7,114	4,792	11,906	3,048	8,858	11,906
Private equity funds	-	-	405	405	-	405	405
Investments in unit trust	-	-	5,913	5,913	-	5,913	5,913
	44,834	201,800	18,657	265,291	155,123	110,301	265,424

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36. Financial instruments – fair values (continued)

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

	2020						
	Carrying amount				Fair value		
	Amortised cost $’000	Financial assets at FVOCI $’000	Financial assets at FVTPL $’000	Total $’000	Level 1 $’000	Level 2 $’000	Total $’000
Quoted equities	-	-	1,857	1,857	945	912	1,857
Global bonds	19,713	167,978	-	187,691	160,962	46,514	207,476
Government of Jamaica securities	-	40,285	-	40,285	-	40,285	40,285
Corporate bonds	5,536	32,567	1,492	39,595	-	39,560	39,560
Certificate of deposit	3,732	-	-	3,732	-	3,732	3,732
Foreign sovereign debt	-	7,250	4,921	12,171	1,555	10,616	12,171
Investments in unit trust	-	-	5,392	5,392	4,575	817	5,392
Principal protected note warrant asset	-	-	673	673	-	673	673
	28,981	248,080	14,335	291,396	168,037	143,109	311,146

37. Prior year adjustments

The Group has determined that guarantees and letters of credit recognized in the prior year were not appropriately measured and that total assets and total liabilities were overstated as a consequence.

The following tables summarise the impact of the prior year adjustment on the Group’s financial statements.

	March 31, 2020		
	As previously reported $’000	Adjustments $’000	As restated $’000
ASSETS			
Guarantees and letters of credit	12,583	(12,583)	-
Other assets	600,399	-	600,399
Total assets	612,982	(12,583)	600,399
LIABILITIES AND STOCKHOLDERS' EQUITY			
Guarantees and letters of credit	12,963	(12,963)	-
Other assets	6,427	380	6,807
Other assets	488,172	-	488,172
Total liabilities	507,562	(12,583)	494,979
Stockholders’ equity			
Total stockholders’ equity	105,420	-	105,420
Total liabilities and stockholders’ equity	612,982	(12,583)	600,399

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37. Prior year adjustments (continued)

	March 31, 2019		
	As previously reported $'000	Adjustments $'000	As restated $'000
ASSETS			
Guarantees and letters of credit	2,366	(2,366)	-
Other assets	620,955	-	620,955
Total assets	623,321	(2,366)	620,955
LIABILITIES AND STOCKHOLDERS' EQUITY			
Guarantees and letters of credit	2,382	(2,382)	-
Other liabilities	8,082	16	8,098
Others	499,714	-	499,714
Total liabilities	510,178	(2,366)	507,812
Stockholders' equity			
Total stockholders' equity	113,143	-	113,143
Total liabilities and stockholders' equity	623,321	(2,366)	620,955

(i) There was no material impact on the Group's earnings per share and no impact on the total operating, investing, or financing cash flow activities for the year's ended March 31, 2020 and March 31, 2019.

38. Subsequent events

(a) On December 30, 2020, the Company signed an agreement to purchase 5,806,495 common shares, representing a 50.5% interest in Roberts Manufacturing Company Limited (RMCL) from Massy Properties (Barbados) Limited for a consideration of $21,452,500. RMCL, located in Barbados, operates from a 21-acre industrial complex consisting of large manufacturing plants producing a variety of margarines, shortening, soyabean oils and animal feed products. The transaction is aligned with the Group's strategy to grow through acquisitions throughout the Caribbean and Latin American regions. The Group obtained the final regulatory approval on May 14, 2021. The initial computations and accounting for the business combination is incomplete at the time the financial statements are authorised for issue.

(b) On March 16, 2021, the Company initiated the purchase of 3,800,000 shares in Fidelity Bank & Trust International Limited. As at approval date of the financial statements, the transaction had not obtained regulatory approval and had therefore, not been finalised.

(c) A dividend payment of $0.0014 (2020: $0.0028) per share was approved by the Board of Directors on June 16, 2021. This dividend payment will be made to all ordinary shareholders on record on July 1, 2021 and will be paid on July 9, 2021. Ordinary shareholders who request payment in Jamaica dollars will receive the equivalent of JA$0.208711 (2020: JA$0.393800) per share.

Stockholders' equity as at the reporting date does not reflect this distribution, which will be accounted for in stockholders' equity as an appropriation of retained profits in the ensuing financial year.