INTEGRITY

PERFORMANCE

20

23

TEAM WORK

EXECUTION

PROVEN

EXCELLENCE

STRATEGY

EXECUTION EXCELLENCE

RESPECT

PROVEN 2023 ANNUAL REPORT

PROVEN

Wealth | Bank | Properties | Private Capital

CORE VALUES

PERFORMANCE
RESPECT
INTEGRITY
TEAMWORK

VISION STATEMENT

PROVEN is the Caribbean's premier provider of financial solutions

NOT ALL FUND MANAGERS ARE EQUAL

Over 2 decades of **Pension Administration and Fund Management** experience.

One of the largest Pension Fund management companies in the industry.

We have a team of qualified and experienced investment professionals who are dedicated to providing stellar investment returns.

PROVEN WEALTH

CONTACT US TODAY TO LEARN MORE (876) 908-3800-2 pwlpensionadmin@provenwealth.com

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Directors' Report

The Board of Directors is pleased to present the Annual Report, with the Consolidated Audited Financial Statements for PROVEN Group Limited, for the year ended March 31, 2023. This year's report highlights many, though certainly not all, of the Company's accomplishments and activities for the financial year, as well as the strategic vision for the future.

Financial Highlights
March 2023
US$ '000

49,642
Operating revenue net of interest expense

131,634
Shareholders equity

The core performance of the company remained strong during the financial year ended March 31, 2023, with solid revenue growth from most of the subsidiaries and associated companies. Net profit for the financial year was however negatively impacted by the material impairment of investments in associated companies and intangible assets due to the reassessment of the carrying value of the assets, in addition to a significant reduction in the share of profits from associated companies. While management accepts that these are appropriate current values, the impairments may be reversed in the future with improved results from these subsidiaries and associated companies.

Financial Highlights:

	March 2023 US$ '000	March 2022 US$ '000	March 2021 US$ '000	March 2020 US$ '000
Operating revenue net of interest expense	49,642	29,498	23,267	56,841
(Loss)/ Profit after Income tax and extraordinary item	(5,361)	14,910	13,097	32,242
(Loss)/ Profit attributable to equity holders of the parent after Income tax and extraordinary item	(4,864)	11,967	11,532	29,979
Shareholders' equity	131,634	141,061	161,681	99,010

**March 2020 includes extraordinary items
**March 2022 restated

Details of these results along with a comparison of the previous year's performance are set out in the Management Discussion and Analysis and the Financial Statements which are included as a part of the report.

Auditors:
In accordance with Sections 106 and 108 of the Company's Articles of Association, a resolution proposing the appointment of the auditors and for the directors to fix the auditor's remuneration will be put to the Annual General Meeting.

Directors:
The directors who served the Company since the last Annual General Meeting are:

Mr. Hugh Hart (Chairman)	**Mr. Garfield Sinclair**
Mr. Rhory McNamara (Company Secretary)	**Dr. John Paul Clarke**
Mr. Jeffrey Gellineau	**Ms. Anya C. Chow Chung**
Mr. Avinash Persaud	**Ms. Neycha Soodeen**

At the end of the year Mr. Hugh Hart ceased to be a Director and Chairman upon the tendering of his letter of resignation retiring as Director and Chairman of the Board effective March 31, 2023, having served the Company as Chairman since PROVEN's inception more than 13 years ago.

Mr. Hart contributed his vast experience in the legal and financial sectors and led with deep humility, exceptional diplomacy and notable wisdom. The Board places on record its appreciation for the valuable contributions made by Mr. Hart in all areas of the Board's functioning during his tenure and would like to extend its sincere gratitude to Mr. Hart for his stewardship of the Company.

Mr. Rhory McNamara, the Deputy Chairman, Director and Company Secretary assumed the role of Chairman of the Board, effective March 31, 2023. Mr. McNamara has been a Director of PROVEN since January 2010 and has been instrumental in proficiently guiding the Company's affairs as an eminent St. Lucia based Attorney at Law and licensed corporate/secretarial service provider. The Board is confident that Mr. McNamara will lead the Board with astuteness and vision.

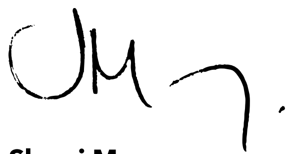
The governance framework facilitates a balance between the Board's role of providing direction and oversight with accountability to support acceptable risk parameters, consistent compliance with regulations, standards, and codes relevant to the Group. At the same time the Board encourages entrepreneurship and innovation, which are recognized as key drivers of Group performance. The board is confident that the current composition provides an effective balance of diverse perspective, skills and experience which will ensure the continued effectiveness of the board's performance in its role. Each director has served impeccably and has outlined their commitment to continue to serve for the next financial year.

Despite the uncertainty and challenges of the current economic environment where the effects of the COVID-19 pandemic continue to linger on lives and livelihood and geopolitical tensions and social unrest relating to the Russia-Ukraine war continues to disrupt global financial stability, we are proud of the Company's unwavering response to these difficult times. Our clients have continued to experience the same high-quality, professional service that has characterized our Company. We are grateful for the oversight provided by the Company's management and proud of the efforts of our people. PROVEN continues to grow because of the dedication and commitment of our management and team members across all portfolio companies.

We use this opportunity to thank all our stakeholders for their continued support, especially our shareholders, clients, partners, and the communities in which we operate as we work together for the continued success of the Company.

By order of the Board

Dated this August 29th, 2023



Sherri Murray
Company Secretary

PROVEN Group Corporate Structure

(MAIN OPERATING COMPANIES AS AT MARCH 31, 2023)

- **PROVEN Group Limited (PGL)** — Domiciled in St. Lucia. Listed on the Jamaica Stock Exchange
  - **PROVEN Bank Holdings Limited (PBHL)** — 100% Owned. Domiciled in the Cayman Islands
    - **PROVEN Bank (Cayman) Limited** — 100% Owned. Domiciled in the Cayman Islands
      - **PROVEN Bank (St. Lucia) Limited** — 100% Owned. Domiciled in St. Lucia
  - **PROVEN Investments Holdings Limited (PIHL)** — 100% Owned. Domiciled in St. Lucia
    - **PROVEN Wealth (Barbados) Limited** — 100% Owned. Domiciled in Barbados
    - **PROVEN Wealth Limited** — 100% Owned. Domiciled in Jamaica
    - **PROVEN Wealth (Cayman) Limited** — 100% Owned. Domiciled in Cayman
      - **PROVEN Wealth (Bermuda) Limited** — 100% Owned. Domiciled in Bermuda
      - **PROVEN Wealth (BVI) Limited** — 100% Owned. Domiciled in BVI
    - **PROVEN Properties Limited** — 100% Owned. Domiciled in St. Lucia
    - **PROVEN Holdings Limited (PHL)** — 100% Owned. Domiciled in St. Lucia
    - **Heritage Educational Funds International Inc.** — 100% Owned. Domiciled in Canada
      - **Heritage Education Funds Int'l (Jamaica) Limited** — 100% Owned. Domiciled in Jamaica
    - **Access Financial Services Limited** — 24.72% Owned. Domiciled in Jamaica
  - **Roberts Manufacturing Company Limited** — 50.5% Owned. Domiciled in Barbados
  - **JMMB Group Limited** — 20.01% Owned/ Associate. Domiciled in Jamaica

Company Profile
Strategic Focus – Execution Excellence

At PROVEN Group, we believe that true excellence lies not just in setting ambitious goals, but in our unwavering dedication to achieving them. Execution is paramount and it's where our team truly delivers. Throughout the year, we have focused on translating strategies into tangible actions, ensuring that every decision made and every initiative undertaken, aligns with our stakeholders' objectives and clients' financial aspirations.

Our commitment to Execution Excellence extends beyond the numbers; it reflects our dedication to innovation, sustainability and quality. As we navigate the complexities of the financial world, we remain steadfast in our pursuit of excellence, with an innate belief that our clients deserve nothing less.

We. Are. PROVEN.

PROVEN
Wealth | Bank | Properties | Private Capital

Business Reports

WEALTH

PROVEN Wealth serves as the foundation pillar under the PROVEN Group of Companies and offers first-class wealth management solutions and services, managing billions of dollars in investments on behalf of its clients – individual and corporate, across the region and internationally.

The subsidiary operates in two Regions:

- **Region 1** - Cayman Islands, Bermuda, BVI and Barbados
- **Region 2** - Jamaica and the Bahamas

We continue to uphold our commitment of delivering top-tier service and investment guidance to our clients. Our client-centric approach distinguishes us from competitors, and we continuously explore innovative strategies to maintain a competitive edge delivered through an experienced team with expertise spanning decades of years of knowledge.

Region 1
At PROVEN Wealth, we are dedicated to upholding and delivering on our brand promise, which entails providing the best advice and solutions for our clients. Our aim is not only to be a leading financial institution on and offshore but also to cultivate an exceptional corporate reputation.

Our strategy is firmly grounded on three fundamental principles. Firstly, we prioritize delivering a best-in-class experience to our clients, ensuring their needs and objectives are met comprehensively. Secondly, our goal is to become the most admired and respected firm within our region, a testament to the high regard in which we are held by both clients and peers. Lastly, we are committed to pursuing sustainable and profitable growth, guaranteeing that our clients and stakeholders reap the rewards of our successful endeavors.

The holistic approach we take, considers what truly matters to clients in their business and personal lives, both now and for future generations. By building solid foundations and providing pure wealth management solutions, we forge enduring relationships. The organisation's emphasis on personal connections, international network, and resources enable us to address diverse needs, seize opportunities, and adapt to changes for the benefit of our clients and organization.

Our ambition is clear - to be the preferred choice of investors and to achieve resounding success for all our stakeholders. By upholding our principles and leveraging our strengths, PROVEN Wealth will continue to thrive and make a significant impact in the wealth management industry.

Region 2
For the year in review, PROVEN Wealth – Region 2 has honed and refined our strategy by segmenting our client base to address distinct needs and requirements. This transformation is tied to a focus for greater client intimacy and unparalleled service delivery which has led us to directly serve clients across three tailored segments: 1. Premium, 2. Private and 3. Corporate Client Services. Additionally, our commitment to digital advancement has led to the almost completed development of our new electronic platform, PROVEN Connect, scheduled to fully come on stream in Q2. This platform will empower and heighten clients' ability to effortlessly manage accounts and conduct transactions at their convenience, reinforcing our dedication to accessibility, personalisation and security.

first-class wealth management

In a landmark achievement, our Investment Banking team orchestrated a successful US$20M loan arrangement for the Government of the Bahamas through our Heritage portfolio. These funds were strategically allocated to forge housing solutions that benefit working class Bahamians, exemplifying our profound impact on regional development.

A pivotal accomplishment achieved in 2021 was the seamless integration of the Heritage International Education Savings Plan portfolio to augment the offerings within the PROVEN Wealth portfolio. We are pleased to launch the new client portal, affording Heritage members access to their plan details and fund performance data, underscoring our unwavering commitment to fostering education within the region.

As we navigate the dynamic economic landscape, we actively seek opportunities to enhance performance, pivot strategically, and drive business growth through innovation. Together, we forge ahead toward excellence.

Simona Watkis - President & CEO, PROVEN Wealth - Region 1 | **Luwanna Williams** - President & CEO, PROVEN Wealth - Region 2

BANK

PROVEN Bank emerged from a rebranding and restructuring exercise as part of PROVEN Group's efforts to establish a unified brand identity. The rebranding reinforces the Group's dedication to providing a seamless and integrated banking experience across its Banking Pillar. The adoption of a common brand in Cayman and Saint Lucia not only enhances recognition but also signifies a shared commitment to delivering exceptional banking services.

The Bank and its subsidiaries, collectively referred to as the Bank, offer a full range of retail and private banking services, including internet and telephone banking, acceptance of deposits, granting of loans and the provision of foreign exchange services through each of its two (2) operating banks in Grand Cayman and Saint Lucia.

PROVEN Bank (Cayman) (The Bank) is incorporated under the Companies Act, as revised, of the Cayman Islands and is licensed under the Bank and Trust Companies Act, as revised, as a Category A Bank to carry on banking business in the Cayman Islands, subject to certain restrictions contained in the terms of the licence.

PROVEN Bank (Saint Lucia) holds a Class A Bank license under the International Banks Act, Cap. 12.17. It operates as a wholly owned subsidiary of PROVEN Bank (Cayman) Limited, with a representative office in Panama. The Bank is regulated by Saint Lucia's Financial Services Regulatory Authority (FSRA) and the Cayman Islands Monetary Authority (CIMA), ensuring compliance with regulatory standards.

The Bank offers a comprehensive suite of multi-currency banking services that facilitate seamless cross-border transactions with access to international multi-currency transfers, foreign exchange services, and eBanking solutions. Key products include multi-currency accounts supporting fourteen different currencies, allowing clients to hold funds on demand or fixed-term deposits and a full suite of credit products such as mortgages, personal lending, overdraft facilities and credit cards. These services are supported by a personalized, multilingual service, emphasizing the Group's commitment to delivering a human touch alongside technological convenience.

The Bank's dedicated team of professionals focuses on building lasting relationships with clients, taking the time to understand their specific financial goals and providing tailored advice and support. While leveraging technology to offer convenient digital banking solutions, the Bank recognizes the importance of personalized service, ensuring that clients receive the attention and guidance they require.

- **Segment Report**

The Bank recorded a net profit of $6.04M for the fifteen-month period ended March 31, 2023 despite operating within a volatile financial and operating environment. This is compared to a net loss of $875K for the twelve-month period to December 31, 2021. The Bank changed its year end from December 31 to March 31 to be in line with the PROVEN Group's reporting period and therefore results are presented on a fifteen-month basis. Total assets and equity stood at $640M, and $65M respectively. The strong financial performance of the Bank was driven by an uptick in net interest income due to solid growth of 13% in the loans and advances portfolio and the rising interest environment globally which benefited both the loans and securities investment portfolios. Within the Cayman Islands, USD and KYD prime rates are linked to US prime which rose from 3.25% to 8% during the period. The Bank's total income also increased YOY due to increased card related income and a change to PROVEN Bank (Cayman) Limited's Investment classification from fair value through profit and loss to amortized cost which resulted in the reversal of approximately $1M in fair value losses. Total administrative and general expenses increased YOY due to transition costs related to the acquisition of the Bank, rebranding and marketing costs and salaries and employee benefits. The Bank's total assets increased by $284M YOY due to the acquisition of PROVEN Bank (St Lucia) Limited. On a solo basis, total assets decreased year on year by 8.5% and 16% for PBSL and PBCL respectively. The shrinkage in the asset base was due to a decrease in financial assets to fund the reduction in the Bank's main financial liabilities, its client deposits. The Bank remains adequately capitalized with total equity increasing from $39M to $65M due to a capital injection of $3M by the Bank's ultimate parent, PROVEN Group Limited, $22M due to the acquisition of PBSL and increased profits of $6.04M. The capital adequacy ratio of the Group stood at 18.02% as at March 31, 2023.

seamless & integrated banking experience

Christopher Williams - Co-Founder & CEO, PROVEN Group | Interim President & CEO, PROVEN Bank

(PROVEN BANK CONTINUED)

- **Forward Statement – Keep Moving with Us!**

As the Bank embraces its positioning within the PROVEN Group of companies and the offshore, personal and corporate banking space, it remains committed to delivering exceptional banking services, supporting cross-border transactions, and providing a personalized approach to meet the unique needs of its clients. With its strong regulatory oversight, varied product offerings, and highly dedicated team of financial services experts across the Caribbean region, PROVEN Bank is well positioned to serve as a trusted partner in the financial journey of its clients.

The Bank foresees that it will continue to operate within a high inflation and rising interest rate environment over the next year, however we remain committed to staying close to our major stakeholders and customers, providing sound financial strategies and solutions as we navigate through these times.

PROPERTIES

PROVEN Properties - a wholly owned real estate investment and development subsidiary of PROVEN Group Limited focusing on residential and commercial real estate in the Caribbean. The company's accomplishments thus far are well known, and we have steadfastly built a solid reputation of successful execution of several iconic and highly sought-after residential developments in Jamaica and in the Cayman Islands.

For the fiscal year completed, we have successfully completed construction on two major residential projects in Jamaica, Via at Braemar and The Cesar and handed over the development to the new homeowners. In addition, we have increased our rental portfolio in the Cayman Islands to include two (2) condominium units at the Rum Point Club and entered their logistics sector, with the purchase of three (3) warehouse units at Ashgo Place. As a premier Caribbean real estate investment and development company, one of our strategic priorities is a geographically diverse portfolio of prime real estate assets under management comprising residential, commercial, and industrial development projects that yield attractive returns for our investors, partners and shareholders. The company is poised for continued growth, led by innovative executive management and a team of trusted financial, marketing, and development management experts.

- **Focus and Commitment**

The business of real estate investment and development can be risky, but amid volatility, great opportunities abound for those who are resilient and ready to tackle the various challenges that may arise. PROVEN PROPERTIES is uniquely positioned to take advantage of these opportunities by deploying creative deal structures and capitalizing on targeted marketing tactics that are aligned with the company's philosophy of value creation and sound corporate governance. We are focused on sustainable and aggressive growth of the company's real estate portfolio by strategically investing in real estate opportunities that will align with the way people will live, work and use real estate in the future.

The company has a strong deal pipeline in Jamaica and the wider Caribbean. We will thrive by continuing to leverage technology, capitalize on mutually beneficial partnerships, effectively allocate capital and leverage our internal strengths to optimize operational efficiency, and achieve execution excellence.

focused on sustainable & aggressive growth of our real estate portfolio

Aisha Campbell - CEO, PROVEN Properties

PRIVATE CAPITAL

PROVEN Private Capital encompasses proprietary private debt and equity investments and operates as a distinct pillar focusing on investments not covered by Wealth, Bank and Properties. This includes strategic investments in affiliated entities, both in the financial and real sectors, and opportunistic ventures. Currently our holdings are in Access Financial Services Limited, JMMB Group and Roberts Manufacturing in Barbados.

2023 marks a crucial phase in the evolution of Private Capital, following the strategic reorganisation of the Group. As the competitive landscape intensifies, our approach is anchored in the hallmark PROVEN DNA of agility and adaptability.

- **Focused and Disciplined Approach**

Our foremost mandate is to channel smart and patient capital towards nurturing Caribbean growth prospects in future-proof industries. Achieving sustainable growth within this segment hinges on building a robust operational framework and bolstering capacity proactively, aligning with our commitment to creating value in existing Portfolio Entities. This strategic groundwork positions us to expand the portfolio through medium-term capital commitments in businesses aligned with our Investment Thesis, aiming to harness value and foster enduring growth.

- **Guiding Value Creation and Resilient Strategy**

To ensure a resilient and value-driven approach, we have cultivated a range of practices that underpin our commitment to our Portfolio Companies:

- **Active Engagement**

We collaborate closely with the boards and management of our Portfolio Companies, aligning their strategies with PGL's corporate vision to achieve value creation targets.

- **Performance Monitoring**

Regularly assessing the progress and key metrics of our Portfolio Companies enables us to identify areas for enhancement and make necessary adjustments.

- **Relationships and Collaboration**

Our approach emphasizes fostering robust relationships and leveraging networks, capacities, and capabilities to drive performance.

- **Flexibility and Adaptability**

We acknowledge the evolving nature of business landscapes and remain flexible and adaptable, prepared to recalibrate strategies as circumstances dictate.

As we continue to champion transformational growth and navigate the ever-changing financial landscape, PROVEN Private Capital stands as a testament to PROVEN Group's commitment to delivering long-term value and sustainable success. Through deliberate and focused actions, we look forward to unlocking potential, nurturing growth, and contributing to a prosperous future.

PROVEN PRIVATE CAPITAL (PPC)

We invest in opportunistic private equity and debt transactions in various sectors and asset classes purchased at attractive entry prices with a medium-term investment horizon.

ETHOS

The **premier** deployer of smart and flexible capital

VALUE PROPOSITION

to transform Caribbean growth opportunities into enterprises

COMMITMENT

while delivering sustainable **cash returns to investors (5-10 yrs)**

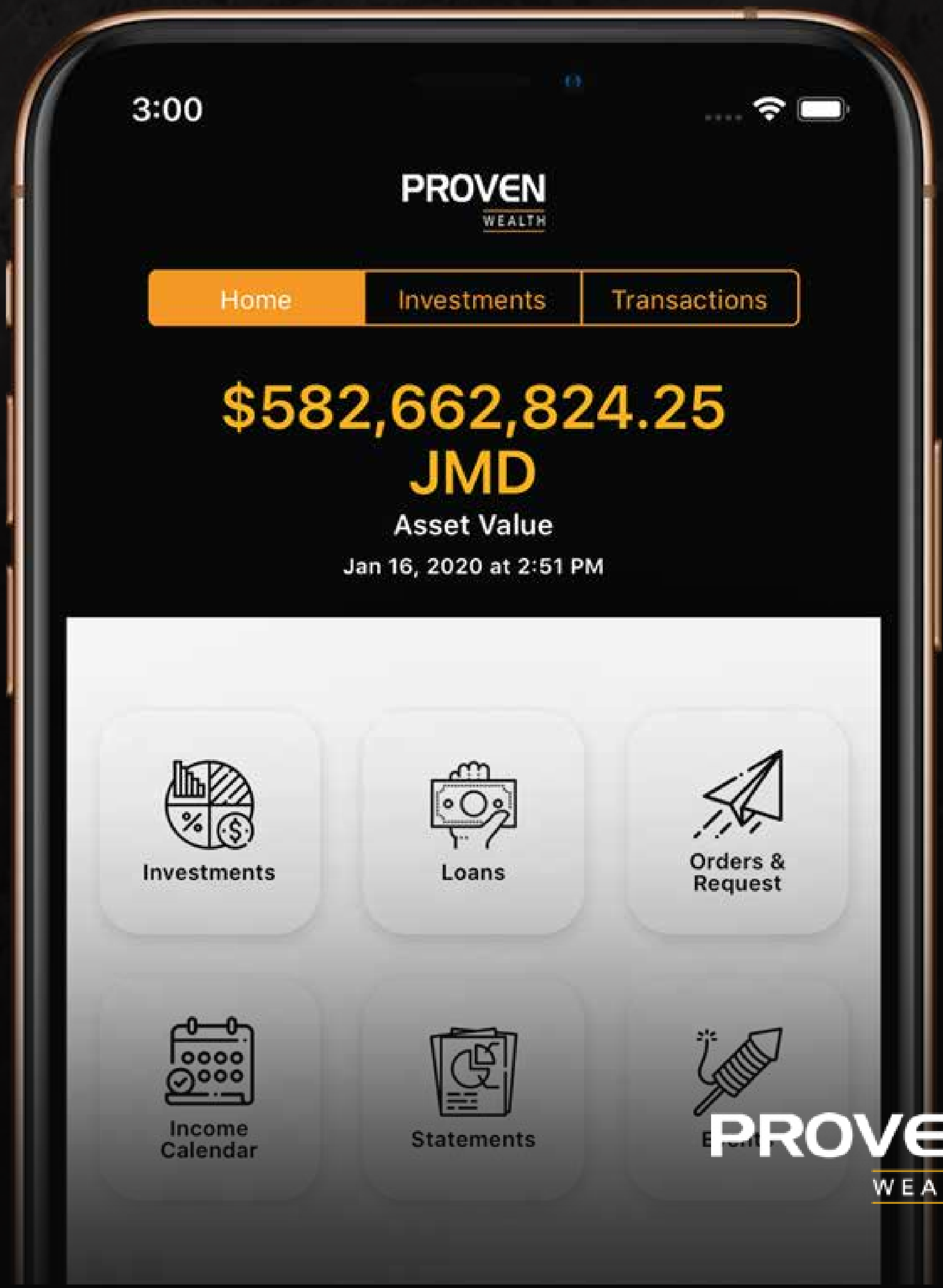
Nerisha Farquharson, CFA - Vice President, Private Capital

GET MOBILE ACCESS

TO YOUR ACCOUNTS

- E-STATEMENT
- PORTFOLIO MANAGEMENT
- ORDERS & REQUEST
- TRANSACTION HISTORY

WEALTH MADE EASIER



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@weareproven

Available on the App Store

ANDROID APP ON Google Play

PROVEN
WEALTH

ROBERTS MANUFACTURING COMPANY LTD.

Company Profile
Roberts Manufacturing Co. Limited (RMCO) is a leading manufacturer of shortening, margarine and cooking oil products based in Barbados. Its subsidiary, Pinnacle Feeds Ltd., leads the local market in manufacturing poultry and livestock feed, and also produces dog food sold under the Robert's brand. For over 75 years its home brands and private label products have been distributed across 15 countries in the Caribbean, USA and Canada.

The company has grown through the years with a current staff complement exceeding 200 team members. Much pride is taken in its SQF certification, demonstrating rigorous food safety practices and highlighting its state-of-the-art laboratory for product testing and new product development, which is managed by highly qualified Quality Assurance Technicians.

Segment Report
In the recently concluded fiscal year, revenues surged by an impressive 16.9%, escalating from 128M to 149.6M. Nevertheless, the Gross Profit (GP) witnessed a decrease from 31.4% to 26.4%, resulting in a notable 70% decline in PBT, from 12.7M to 3.7M. The Government of Barbados took measures by introducing a subsidy for farmers, yet the mounting commodity prices posed a challenge that could not be entirely offset.

Despite these challenges, we hold an optimistic outlook for the future, as commodity prices have shown signs of a favourable upward trend once again.

Forward Statement
As RMCO enters its 80th year of operations, our commitment to continuous improvement remains unwavering. A comprehensive 5-year capital investment strategy has been initiated to enhance efficiencies across our diverse plants. Notable advancements include the installation of a cutting-edge mixer in the feed plant and the implementation of a solar PV system in 2023. Undoubtedly, product development remains a cornerstone of our strategy. Through meticulous evaluation of our existing offerings and thorough market research, we endeavour to expand our product portfolio, reinforcing our market relevance.

Having successfully navigated through supply chain challenges in preceding years, we have strategically adjusted our procurement approach. Additionally, strengthened collaboration with our suppliers has resulted in improved pricing and stability concerning incoming raw materials.

Our revenue growth and profitability will be propelled by focused efforts in key areas:

Market Expansion
We are resolute in broadening our presence within both current and new export markets.

Operational Excellence
By persistently pursuing operational enhancements, we seek to amplify efficiencies across our plants.

Supply Chain Fortification
Our commitment to optimizing purchasing and inventory management further solidifies our supply chain.

With a forward-looking perspective, RMCO remains optimistic about the prospects of future growth and the manifold value it promises to deliver to all stakeholders.

strategic investments, opportunistic ventures

ACCESS FINANCIAL SERVICES LIMITED

Company Profile

Access Financial Services Limited (AFS) was established in 2000 and was listed on the Junior Market of the Jamaica Stock Exchange in 2009. One of the leading providers of personal and business loans to Jamaica's Microfinance Sector, Access became the first microfinance institution to obtain a license from the Bank of Jamaica under new regulations in 2022. Access operates through an island-wide retail network of seventeen (17) branches, with the company's Head Office located at 41B Half-Way Tree Road, Kingston 5. On December 15, 2018, Access acquired a 100% shareholding in its subsidiary, Embassy Loans Inc, ("Embassy Loans") located in Florida, USA. Headquartered in Cooper City, Florida, Embassy Loans is a leading provider of auto title loans since 2005 and they are a licensed consumer finance company.

Financial Overview

The Group recorded consolidated net profit after tax of $301 million for the year ended March 31, 2023, compared to $429 million for the prior year. This represents a 30% decrease in net profit year over year and is attributable to increased loan loss provisions. There were also increases in operating costs due to higher bond issue costs and audit fees, legal and professional fees, repair and maintenance costs as well as credit rating costs that were incurred during the year.

Strategic Direction

Access Financial Services Limited (AFS) anticipates that the microfinance industry will continue to improve due to increased competition as institutions battle for market share in a now regulated landscape. Given the projections for macro-economic growth and improvements in market conditions, Access Financial will remain focused on:

1. Putting customers first by increasing investment in technology to expand non-branch channels and customer experience.
2. Leveraging technology to improve operational efficiency.
3. Increased focus on compliance and risk management based on the Micro Credit Act, 2021.

Putting customers first by increasing investment in technology


EASY ACCESS
USE YOUR PHONE TO GET THE LOAN.
SERVICES
MY ACCESS
LOAN APPROVED!
Unlock the power of convenience with the MY ACCESS mobile app.
Say hello to quick, hassle free loans and goodbye to long lines.
GET IN ON Google Play
Download on the App Store
www.accessfinanceonline.com
ACCESS
FINANCIAL SERVICES LTD.

Notice of Annual General Meeting

NOTICE is hereby given that an Annual General Meeting of PROVEN Group Limited will be held at the Cnr. Flamboyant Drive & Almond Road, Rodney Bay, Gros Islet, St. Lucia, on October 10, 2023 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions:

1. **To receive the Audited Group Accounts for the year ended 31 March 2023 and the Reports of the Directors and Auditors circulated herewith**

   Resolution No. 1
   "THAT the Audited Group Accounts for the year ended 31 March 2023 and the Reports of the Directors and Auditors circulated with the Notice convening the meeting be and are hereby adopted."

2. **To ratify interim dividends and declare them final**

   Resolution No. 2
   "THAT the interim dividends paid on 9 September 2022 and 13 March 2023, be and they are hereby declared as final and no further dividend be paid in respect of the year under review."

3. **To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors**

   Resolution No. 3
   "THAT KPMG, with offices in St. Lucia, having agreed to continue in office as Auditors for the Company, be hereby appointed to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

4. **To fix the remuneration of the Directors**

   Resolution No. 4
   "THAT the amount shown in the Accounts of the Company for the year ended 31 March 2023 as remuneration of the Directors for their services as Directors be and is hereby approved."

Dated the 29th day of, August 2023

By Order of the Board

Sherri Murray
Company Secretary.

NB:
Members are reminded of the provisions of Regulations 37-38 of the Articles of Association of the Company, which provide as follows:

37. A member may be represented at a meeting of members by a proxy who may speak and vote on behalf of the member.

38. The instrument appointing a proxy shall be produced at the place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. A corporation may execute a form of proxy under the hand of a duly authorised officer of such corporation.

The instrument appointing a Proxy must be in writing and a Proxy Form is attached for your convenience.

Chairman's Report

This year's Annual Report for the period under review FY 2023, signifies my debut as your Chairman for the PROVEN Group and I am extremely honored to be taking on the mantle and sharing with you how we continue to create sustainable growth and stakeholder value.

Fellow Shareholders, the past financial year has been a very busy one for the PROVEN Group as we worked to fulfill our strategic pursuits. Having closed on three (3) major acquisitions in the previous year, the focus for the year was centered around the consolidation and optimization of these acquisitions within the Group. In this regard, we embarked on and completed a series of key strategic initiatives during the year, including:

1. **Group Corporate Restructuring:**
   Following the acquisition of Fidelity Bank (Cayman) Limited ("FBC") in 2022, the Group embarked on corporate restructuring, to comply with the conditions of approval set by the Cayman Islands Monetary Authority ("CIMA").

   This restructuring was largely completed during the financial year and involved the creation of a bank holding company, PROVEN Bank Holdings Limited ("PBHL"), as the parent company of the banking subsidiaries in the Group and another holding company, PROVEN Investment Holdings Limited ("PIHL"), to hold the non-banking subsidiaries.

   The Parent Company's name was also changed from PROVEN Investments Limited to PROVEN Group Limited effective July 7, 2022, to better represent the new structure of the Group. We are now poised to be the Caribbean's premier provider of financial solutions as we focus our businesses around the 4 key operational pillars of – Wealth | Bank | Properties | Private Capital.

2. **Rebranding:**
   Following the restructuring and in keeping with our strategic focus on the core business of the Group, the banking and wealth subsidiaries of the Group were all rebranded under the PROVEN umbrella during the past financial year.

   Both Fidelity Bank (Cayman) Limited and Boslil Bank Limited were renamed and rebranded PROVEN Bank (Cayman) Limited and PROVEN Bank (Saint Lucia) Limited, respectively. On the wealth side, IFP (Cayman) Limited and its subsidiaries were renamed and rebranded PROVEN Wealth (Cayman) Limited, PROVEN Wealth (Bermuda) Limited and PROVEN Wealth (BVI) Limited

3. **Centralized Shared Services:**
   With the acquisitions of Fidelity Bank (Cayman) Limited and Heritage Education Funds Inc. and the need to provide operational support to both these entities, the Group took the decision to implement a centralized shared services model for certain key departments to support the subsidiaries of the Group.

   During the year the following departments were centralized with the main objective of improving operational efficiencies and standardizing processes across the Group: The departments are Information Technology, Human Resources, Marketing, Treasury, Risk & Compliance and Asset Management.

28.2% ↑

increase in Net Revenues during the financial year

We are very pleased with the accomplishments of the past year and the positive trajectory of the company. Net revenues increased by 28.2% during the financial year and notwithstanding the negative impact on net profits for the financial year from the impairment of investments in associated companies and intangible assets, core profitability has stabilized and is showing signs of further expansion over the coming quarters. We continue to exploit opportunities to bring about even greater efficiencies and in so doing reduce costs and bring greater returns to shareholders sooner rather than later.

On behalf of the Board of Directors, I would like to take this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and Staff, and the patronage of our valued clients. The stage is set, and our attention remains steadfast on delivering superior performance..

……………………………………

RHORY MCNAMARA
Chairman

Business Performance Snapshot

Total Assets

US$1.06B

US$59.87M

Dividends paid since inception

US$594.32M

Off Balance Sheet FUM

US$49.64M

Net Revenue Growth of 28.18%

PROVEN
Wealth | Bank | Properties | Private Capital

Structural Changes

1.46%

(J$0.655/J$31.91)

Dividend Yield

or 1.43% (US$0.003/US$0.21)

Public Investment Grade

BBB

CariCRIS Ratings

The path to **SUCCESS** starts with an

EDUCATION SAVINGS PLAN

Directors' Profiles

RHORY MCNAMARA
CHAIRMAN

A UK-trained and qualified barrister who attended Bristol University and obtained an honours degree in law, followed by the successful completion of the bar exams at the Inns of Court School of Law in London, Mr. McNamara practised as an attorney at the family law firm of McNamara & Co. in Saint Lucia from 2000-2015 whereupon he set up and continues to practise as an attorney at RDM Chambers. With over 20 years' experience, his practice areas include corporate law and corporate/private conveyancing. He is also the Managing Director of McNamara Corporate Services Inc. a full service and licensed corporate / secretarial service provider in Saint Lucia. He presently represents on the board of several prominent private & public companies both in St. Lucia and abroad and has been the president of the St. Lucia Association for Persons with Developmental Disabilities since 2003.

Length of Directorship: **13 years**

AVINASH PERSAUD
DIRECTOR

Avinash Persaud uniquely spans finance, academia, and public policy. He's held senior roles at J.P. Morgan, UBS, State Street, and GAM London Ltd. He chaired Elara Capital PLC and RBC Barbados and is a non-exec director of PROVEN Group. He's also been Governor of the London School of Economics, President of the British Association for the Advancement of Science, and Trustee of the Global Association of Risk Professionals and the Royal Economics Society. Recognitions include the Jacques de Larosiere Award and being voted among the top three global public intellectuals on the financial crisis. He's Emeritus Professor of Gresham College, UK. Avinash led committees for UN, Warwick, UK Treasury, and IMF, advised globally, and chaired CARICOM Commission on the Economy.

Length of Directorship: **7 years**

JEFFREY GELLINEAU
DIRECTOR

Mr. Gellineau has over 27 years of extensive audit experience at KPMG, Barbados as an engagement partner in managing and providing audit and other advisory services to regional and international clients. He also served as the project coordinator for a World Bank-funded project, "Strengthening Institutional Capacity for Project Implementation", during the period January 2009 to November 2010, which addressed Capacity Building for Financial Management and Procurement for Capital Projects in the OECS Countries.

Length of Directorship: **10 years**

GARFIELD SINCLAIR
CO-FOUNDER & DIRECTOR

Garfield "Garry" Sinclair retired in November 2021, but remains an active Director for multiple private and public companies. He previously served as CEO of both Cable & Wireless (Jamaica) Ltd and Bahamas Telecommunications Company, as well as President of Cable & Wireless' Caribbean operations. Previously to this, he was President & Chief Operating Officer of pioneering Investment Bank, Dehring, Bunting & Golding Limited, where he served for 13 years. Licensed as a CPA in 1983, he holds a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from MIT's Sloan School of Management. With over 36 years of management experience, Garry continues to serve as a Director for various organizations, including PROVEN Investments Limited, PROVEN Wealth Limited, while being Chairman of PROVEN Bank Limited, Kingston Properties Limited and the Jamaica Stock Exchange Pension Fund.

Length of Directorship: **13 years**

ANYA CHOW CHUNG
INDEPENDENT DIRECTOR

Mrs. Chow Chung is the first woman to serve in the capacities of Chairman and CEO of Geo. F. Huggins & Company (Grenada) Limited since the company was founded over 100 years ago. The company is Grenada's third largest employer and the most broad-based trading company on the island. Anya's other notable roles include – Director and current Corporate Secretary – Agostini Insurance Brokers (G'da) Ltd.; Chairman of the Board of Directors – Grenada Airports Authority; Former Director of the Grenada Board of Tourism (now the Grenada Tourism Authority); member of the Government of Grenada's special advisory committee on the projected effect of COVID-19 on the economy (March 2020).

Length of Directorship: **1 year**

NEYSHA SOODEEN
INDEPENDENT DIRECTOR

Neysha Soodeen, CEO of Radleigh Consulting, possesses an unparalleled knowledge of the Caribbean having worked extensively in the region. As the founder and CEO of Toute Bagai Publishing, a prominent magazine publishing house, she has established a vast network of key decision makers, executives, and stakeholders in various sectors, such as tourism, real estate, and government agencies. Leveraging her experience and connections, Neysha now serves as a Strategic Communications Consultant for regional organisations and actively contributes to the betterment of the Caribbean's social, economic, and environmental landscape through her involvement in various NGO initiatives.

Length of Directorship: **1 year**

DR. JOHN-PAUL CLARKE
INDEPENDENT DIRECTOR

Dr. Clarke, a Professor of Aerospace Engineering and Engineering Mechanics at the University of Texas at Austin, holds the Ernest Cockrell Jr Memorial Chair in Engineering. He's a co-founder of several companies, including Universal Hydrogen, which secured US$85M in venture capital to pioneer low-capital hydrogen supply infrastructure for aviation and transportation. He sits on the Boards of Directors for Universal Hydrogen, Cayman Airways, and Indigo Insurance (Bahamas) Ltd. Dr. Clarke's expertise extends to national committees, AIAA, EU, FAA, ICAO, NASA, and more. A Fellow of AIAA and RAeS, he's also part of AGIFORS, INFORMS, and Sigma Xi.

Length of Directorship: **1 year**

SHERRI MURRAY
COMPANY SECRETARY

A member of the PROVEN team since inception bringing a wealth of experience to her new role. With a remarkable tenure spanning more than 25 years in the Financial Services industry, she has garnered extensive expertise and a sterling reputation. Her impressive career includes notable positions at Scotia DBG Investments Ltd. and PriceWaterhouseCoopers, solidifying her standing as a highly regarded professional in her field.

Ms. Murray holds a B.Sc. with First Class Honours from the University of the West Indies and an MBA in Finance & International Business from McGill University, Montreal, Canada. Her academic achievements demonstrate her commitment to excellence and her ability to bring a well-rounded perspective to her work.

In addition to her role as Company Secretary at PROVEN Group Ltd., she also maintains that role for PROVEN Wealth Ltd, PROVEN Management Ltd., PROVEN Properties Ltd, IFP (Jamaica) Ltd, Heritage Funds International Inc, PROVEN Bank (Cayman) Limited, and Access Financial Services Ltd.

Length of Appointment: **<1 year**

Corporate Information

BOARD OF DIRECTORS

NON-EXECUTIVE

Mr. Rhory McNamara
Chairman

Mr. Jeffrey Gellineau

Mr. Avinash Persaud

Ms. Anya Chow Chung

Ms. Neysha Soodeen

Dr. John-Paul Clarke

EXECUTIVE

Mr. Garfield Sinclair

Ms. Sherri Murray Company Secretary

REGISTERED OFFICE

PROVEN Group Limited
20 Micoud Street
Castries, St. Lucia, W.I.

ATTORNEYS-AT-LAW

Hart Muirhead Fatta
Victoria Mutual Building,
2nd Floor,
53 Knutsford Boulevard
Kingston 5, Jamaica, W.I.

REGISTRAR AGENT

Jamaica Central Securities
Depository Limited
40 Harbour Street
Kingston, Jamaica, W.I.

BANKERS

Citibank

19 Hillcrest Avenue
Kingston 6, Jamaica, W.I.

Sagicor Bank Jamaica Limited

17 Dominica Drive
Kingston 5, Jamaica, W.I.

First Global Bank Jamaica Limited

2 St. Lucia Avenue
Kingston 5, Jamaica, W.I.

INTERNAL AUDITORS

PriceWaterhouseCoopers
ScotiaBank Centre
Duke Street
Kingston, Jamaica, W.I.

EXTERNAL AUDITORS

KPMG
204 Johnsons Centre
#2 Bella Rosa Road
Gros Islet, St. Lucia, W.I.

CONTACT US

(876) 946-4091

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Mailing Address:

PROVEN Group Limited
c/o PROVEN Management Ltd.
Suite #5 | Pinnacle Pointe
53 Lady Musgrave Road
Kingston 10, Jamaica, W.I.

Policies & Governance

In observance of sound governance practices, PROVEN Group maintains compliance and adherence within a robust regulatory framework holding licenses in multiple jurisdictions in which it operates under its related subsidiaries; as well as being a company listed on the Jamaica Stock Exchange. To this end, there are key approved Policies and Frameworks in place to ensure that our businesses are operating within stated standards.

PROVEN policies are documented in full and can be accessed via our website **weareproven.com** under the policy tabs. These are:

Corporate Governance Framework
Corporate governance is the system by which companies are directed and controlled, and Boards of Directors are responsible for the governance of their companies. Corporate governance is also the process of supervision and control intended to ensure that the company's management acts in accordance with the interest of its shareholders. Therefore, good corporate governance fosters a culture of integrity and leads to a positive performing and sustainable business.

The Board of Directors (the "Board") of PROVEN Group Limited ("PROVEN" or "the Company") has adopted these Corporate Governance Policies to promote the effective functioning of the Board. The Board is responsible for promoting the success of the Company by providing the strategic direction of the Company and by directing the affairs of the Company.

Dividend Policy
Dividends are the way the company makes distributions from the company's profits to shareholders. This policy applies to PROVEN Group Limited and its subsidiaries (collectively called "PROVEN" or "the Company").

The Company's dividend policy is an important monitoring mechanism to the market in which its shares are traded, how it impacts its investors perception of the value/movement of the stock price, the financial strength of the company and its future prospects for growth in achieving its mandate in maximizing shareholders' wealth.

Whistleblower Policy
The purpose of this Whistleblower Policy (this "Policy") is intended to encourage the PROVEN Group board of directors, the investment management company (PROVEN Management Limited and all its employees) and its Subsidiaries (collectively called "Representatives"); to make good faith reports of improper conduct, suspected fraud, corruption and any such conduct that could threaten the health and safety of another within PROVEN Group Limited ("PROVEN" or "Company"). The Policy also describes the process that will be followed by the Company in evaluating and investigating such reports.

Visionary Leader

Benjamin 'Ben' Freeman

31/01/65 - 31/07/23

We bid farewell to a true visionary, our esteemed President and CEO of PROVEN Bank, Benjamin 'Ben' Freeman. His unwavering dedication, transformative leadership and commitment to excellence has left an indelible mark on our organisation and the financial sector at large.

We will continue to honour his journey of integrity, innovation and compassion which will undoubtedly guide us, as we navigate the future he helped to shape.

Join us in honouring the legacy of a remarkable leader who touched our lives and inspired us all.

PROVEN BANK

PROVEN
Wealth | Bank | Properties | Private Capital

PROVEN Management Limited

Leadership Team and Profiles

PROVEN Management Limited (PML) is the management company of PROVEN Group Limited (PGL). PML through its leadership team, is responsible for managing the operations of PGL including identifying, analyzing, and negotiating potential investments, monetizing the performance of these investments and ensuring adherence to established policies and procedures of PGL.

Garfield Sinclair
Co-Founder and Director
PROVEN Management Limited

Garfield "Garry" Sinclair retired in November 2021, but remains an active Director for multiple private and public companies. He previously served as CEO of both Cable & Wireless (Jamaica) Ltd and Bahamas Telecommunications Company, as well as President of Cable & Wireless' Caribbean operations. Previously to this, he was President & Chief Operating Officer of pioneering Investment Bank, Dehring, Bunting & Golding Limited, where he served for 13 years. Licensed as a CPA in 1983, he holds a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from MIT's Sloan School of Management. With over 36 years of management experience, Garry continues to serve as a Director for various organizations, including PROVEN Investments Limited, PROVEN Wealth Limited, while being Chairman of PROVEN Bank Limited, Kingston Properties Limited and the Jamaica Stock Exchange Pension Fund.

Christopher Williams
Group CEO, Co-Founder and Director
PROVEN Management Limited

In his capacity as the CEO of PROVEN Group, Christopher Williams offers executive strategic leadership for the extensive portfolio of companies with holdings exceeding US$1 billion. He has the responsibility of overseeing the organisation's complete operations, while also steering the Group's strategic direction and leadership to fulfil its overarching goals and objectives. Mr. Williams holds an M.B.A. in Strategic Marketing and Finance from York University. Presently, he holds both chairman and director positions across various boards, including PROVEN Properties Limited, Jamaica College Foundation, Jamaica Association for the Deaf, and Professional Football Jamaica Limited.

Senator Peter Bunting
Co-Founder and Chairman
PROVEN Management Limited

Peter Bunting is a Co-Founder of PROVEN Group Ltd. with a successful career in finance that includes co-founding Dehring Bunting & Golding Limited (DB&G) which was acquired by Scotia Group. He currently serves as Chairman of Proven Management Ltd., Proven Properties Ltd., and Roberts Manufacturing Company Ltd./Pinnacle Feeds Ltd.

In addition to his business ventures, Peter has made significant contributions to public service - currently as Leader of Opposition Business in Jamaica's Senate, and previously as the Minister of National Security, and as the General Secretary of the People's National Party. He earned a Bachelor of Engineering (Mech.) from McGill University and a Masters in Business Administration from the University of Florida.

Mark Golding
Co-Founder and Director
PROVEN Management Limited

Mark J. Golding is a leading Jamaican commercial Attorney-at-Law and a Partner in the law firm Hart Muirhead Fatta. He was a founding shareholder and director of Dehring Bunting & Golding Ltd. in 1993, and a founding shareholder and director of PROVEN Management Ltd. in 2010. He has also served on the Boards of several of Jamaica's leading companies. A founding Director of Caribbean Information & Credit Rating Services Limited (CariCRIS, the first regional ratings agency for the Caribbean), and is the Chairman of the Mona Rehabilitation Foundation, a non-profit organization for persons with physical disabilities.

Mr. Golding has also had an extensive career in public service, initially as a member of the Jamaican Senate from 2007 to 2017, serving with distinction as Jamaica's Minister of Justice from 2012 to 2016. He was elected the Member of Parliament for South St Andrew in November 2017, whereupon he was appointed the Opposition Spokesperson for Finance and Planning and has been the Leader of the Opposition in Jamaica's Parliament since November 2020.

Christopher Bicknell
Director
PROVEN Management Limited

Christopher Bicknell has earned widespread recognition as one of Jamaica's foremost and accomplished entrepreneurs. Currently, he holds the esteemed positions of Chairman and Group Chief Executive Officer (C.E.O.) at Tankweld Metals Ltd. With an exceptional track record in business leadership, Mr. Bicknell's contributions have been instrumental in shaping the economic landscape of Jamaica.

Mr. Bicknell's professional journey is marked by his accreditation as a Certified Public Accountant (CPA), a testament to his strong financial acumen and deep understanding of the intricacies of managing financial aspects within business enterprises. His expertise in financial matters underscores his commitment to excellence and meticulous approach to steering organisations towards growth and success.

Leadership Team

Johann Heaven
Deputy Group CEO and Director
PROVEN Management Limited

Johann Heaven currently holds the position of Group Deputy CEO for the PROVEN Group, where he oversees the Treasury & Investments, Asset Management, Operations, IT, Human Resources, Strategic Planning, Research, and Projects functions. Prior to this role, he served as the President and Chief Executive Officer of PROVEN Wealth Limited, the Group's wealth management company in Jamaica.

With over twenty years of experience in finance and banking, Mr. Heaven has developed a wide range of skills in financial analysis, mergers and acquisitions, financial advisory, treasury and asset management, strategic planning, and corporate finance. He has played a pivotal role in the growth and success of the companies he has been involved with.

Mr. Heaven is a Chartered Financial Analyst (CFA) charter holder and holds the Financial Risk Manager (FRM) certification. He earned his Master's degree in Finance from the University of London.

Charmaine Boyd-Walker
Senior Vice President - Finance,
Risk & Compliance
PROVEN Management Limited

Mrs. Boyd-Walker is currently Senior Vice President Finance, Risk & Compliance for PROVEN Group and is responsible for directing Finance, Risk & Compliance to efficiently and effectively produce timely financial reports as guided by the accepted accounting standards across the group. She is a financial management professional having amassed over twenty years' experience in finance through a diverse career path. She holds a Master's Degree in Finance from Manchester Business School and a Certification in International Risk Management (CIRM). Mrs. Walker sits as a Director of PROVEN Wealth Jamica Ltd., International Financial Planning Jamaica Limited, PROVEN Properties Limited, Proven Wealth Cayman Limited and Access Financial Services Limited.

Sherri Murray
Vice President & Company Secretary
PROVEN Management Limited

A member of the PROVEN team since inception bringing a wealth of experience to her new role. With a remarkable tenure spanning more than 25 years in the Financial Services industry, she has garnered extensive expertise and a sterling reputation. Her impressive career includes notable positions at Scotia DBG Investments Ltd. and PriceWaterhouseCoopers, solidifying her standing as a highly regarded professional in her field.

Ms. Murray holds a B.Sc. with First Class Honours from the University of the West Indies and an MBA in Finance & International Business from McGill University, Montreal, Canada. Her academic achievements demonstrate her commitment to excellence and her ability to bring a well-rounded perspective to her work.

In addition to her role as Company Secretary at PROVEN Group Ltd., she also maintains that role for PROVEN Wealth Ltd, PROVEN Management Ltd., PROVEN Properties Ltd, IFP (Jamaica) Ltd, Heritage Funds International Inc, PROVEN Bank (Cayman) Limited, and Access Financial Services Ltd.

Our Top 10 Shareholders

Primary Account Holder	Volume	Percentage
Fides Investments Limited	42,300,000	5.28%
Barita Investmemt Ltd-Long A/C (Trading)	32,540,064	4.06%
Peter Bunting	31,860,643	3.97%
Mabet Holdings	26,511,742	3.31%
Protek Limited	17,615,200	2.20%
Mr. Marco Miret	16,309,146	2.03%
Ozymandias Limited	15,085,706	1.88%
Pelican Investment Company	14,172,821	1.77%
Christopher C. Williams	13,836,626	1.73%
Alydar Limited	13,500,011	1.68%

PROVEN GROUP

Directors' Shareholdings

Primary Account Holder	Joint Holders	Volume	Percentage
Rhory McNamara	Dorado Holdings Ltd.	363,966	0.045%
Hugh Cecil Hart	Pelican Investments Company Limited	14,172,821	1.768%
Garfield Sinclair	Platoon Limited	8,000,000	0.998%
Anya Chow-Chung		0	0.000%
Jeffrey Gellineau		0	0.000%
Avinash Persaud		0	0.000%
Neysha Soodeen		0	0.000%
John-Paul Clarke		0	0.000%

Management Discussion & Analysis

US$12.5 million	US$ 0.0165	US$1.1 billion	8%	73%
Net Profit attributable to shareholders	Earnings per Share	Consolidated Total Assets	Trailing 12 Months (TTM) Return on Average Equity	Efficiency Ratio

Operating Environment

Overview

According to International Monetary Fund (IMF) estimates, the global economy grew by 3.5% in 2022, driven by the relaxation of COVID-19 restrictions in most territories that year. This spurred sharp services sector-dominated recovery growth, bringing with it elevated and sticky headline inflation of 8.7% for the year according to IMF. The drivers of inflation included COVID-19 induced stimulus policies in 2021, supply chain challenges, labour shortages and the onset of the Ukraine-Russia conflict.

Notably, the sticky inflation regime in the U.S. coupled with rising interest rates greatly influenced PROVEN Group's performance for the 12-month period. Specifically, U.S. core inflation was 6.5% as at March 2022 which fell by only 90 basis points to 5.6% as at March 2023. Meanwhile, the US Federal Reserve, which has an inflation target of 2%, raised the Fed Fund's rate by 450 basis points from 0.25% - 0.50% as at March 31, 2022 to 4.75% - 5.00% as at March 31, 2023 via 10 policy rate hikes. This material rise in benchmark interest rates in response to inflation over the financial year typically sparks broad-based volatility and downside in security prices. This scenario influenced stress in the global banking sector in February to March 2023 which saw the fall of Switzerland's Credit Suisse as well as Silicon Valley Bank and PacWest Bank in the United States. These headwinds also affected regional financial institutions, which influenced our performance over the period though to a much lesser extent, credited to PGL's balance sheet strength and risk management focus.

Geopolitical Risk

Prevailing geopolitical risks include the formation of BRICS (Brazil, Russia, India, China, South Africa) economic alliance, the ongoing Ukraine-Russia conflict and the ongoing US-China trade tensions. The significance of these geopolitical risks is that the BRICS alliance, which has its own development bank, seeks to reduce the reliance of member countries' medium to long term usage of the US currency in international trade, which could be inflationary. For context, BRICS nations are resource rich nations which collectively boast a combined population of 3.3 billion, which is north of 35% of the global amount. Meanwhile, the Ukraine-Russia conflict continues to limit the global supply of wheat, corn, steel and oil via sanctions and infrastructural damage associated with the war. Lastly, the ongoing US-China trade tensions continue to reduce US companies' reliance on cheap labour and raw material in China, outsourcing some of this to India and Mexico respectively. The breakdown in this relationship could be inflationary as China remains a major source of efficient mass production, which other territories have not yet mastered at scale, potentially lifting the cost of production for US products.

Financial Markets

Between March 31, 2022 and March 31, 2023, the S&P 500 index (S&P 500) fell by 9.29% to 4,109.31. Meanwhile, the Dow Jones Industrial Average (DJIA) dipped by 4.05% to 33,274.15 over the same period. The U.S. equity market saw declines due to a mix of earnings disappointments across sectors, higher than expected inflation readings, impaired confidence in the U.S. banking sector in March 2023 and a material 450 basis point rise in the Fed Funds rate from 0.25% - 0.50% to 4.75% - 5.00% over the period.

For perspective the volatility index (VIX), the equity market's fear gauge, fell from 20.56 in March 31, 2022 to 18.70 as at March 31, 2023 but averaged 24.46 for the 12 month period. For context, a level of 20 is considered high, which signals bearishness sentiment for much of the 12-month period.

In terms of fixed income, the US 10 year-to-2 year treasury bond spread stood at +0.04 in March 31, 2022 but inverted sharply to -0.58 in March 31, 2023 according to the Federal Reserve Economic Database (FRED). Meanwhile, the US 10 year to 3-month treasury bond spread inverted from +1.80 to -1.37 over the 12-month period. These two inversions signaled a significantly higher expectation of a near term US recession by fixed income investors due to the monetary tightening of the US Federal Reserve and sticky inflation.

On the regional front, the Jamaica Stock Exchange Main and junior market indices declined by 12.96% and 10.14% respectively year over year as at March 31 2023. This is tied to a rise in Bank of Jamaica's benchmark interest rate from 4.50% to 7% over the period, influencing institutions to shift from equity to fixed income. Additionally, large cap financial sector stocks weighed on index performance as earnings were hit by the coupled effect of inflation and elevated impairments in securities.

In terms of FX, the J$/US$ exchange rate fell from J$153.48/US$1 as at March 31, 2022 to J$150.59/US$1 as at March 31, 2023, reflecting J$ appreciation of 2.17%. However, this appreciation was influenced by Bank of Jamaica's B-FXITT interventions which surpassed 20 for the 12-month period and totaled a dollar value above US$550M. The J$ ~2% appreciation over the period was also influenced by the material rise in Bank of Jamaica's benchmark interest rate.

Regional Growth
The Latin America and the Caribbean (LAC) region grew by 3.9% in 2022 and is expected to be 1.9% in 2023 according to IMF estimates. The supporting themes included the material uptick in tourism arrivals in the region, coupled with a continuation of the post COVID-19 recovery growth, albeit at a lower pace. The uptick in commodity prices including food and energy particularly benefitted commodity exporters in the LAC region. However, a combination of moderated commodity prices in 2023 versus the prior year, higher interest rates slowing economic activity and a normalized level of labour market improvement in the LAC region guides economic output to an expectedly lower level in 2023 versus 2022.

90.91%

Price Return Since Inception (US$)

Bahamas
Bahamas' economy rebounded by 11% in 2022 as the country recovers from the shock of Hurricane Dorian (2019) and the COVID-19 pandemic (2020-2022). This bout of recovery was led by tourism while sectors such as construction and other services continue to rebound strongly. Of note, the International Monetary Fund (IMF) estimates growth of 4.3% in 2023 as the country continues to benefit from US tourist arrivals and loose monetary conditions. The IMF estimates that the recovery phase of growth should persist until 2028 before returning to its normalized long-term growth rate of 1.2% per annum.

The combined shock of the COVID-19 pandemic and Hurricane Dorian lifted government borrowing, influenced a rise in debt to GDP to 103.3% in 2021 before falling to 90.6% in 2022 and is expected to recede further to 84.2% in 2023, according to IMF's forecast.

Credit Rating of Operating Territories	JAM	CAY	BAH	BER	DOM REP	BAR	PAN	URU	ST LUC	BVI	T&T
Standard & Poor's	B+	-	B+	A+	BB	B-	BBB	BBB+	-	-	BBB-
Moody's	B2	Aa3	B1	A2	Ba3	B2	Baa2	Baa2	-	-	Ba2
Fitch Ratings	B+	-	-	-	BB-	B	BBB-	BBB	-	-	-

Ratings Outlook Key Positive Stable Negative

On the fiscal side, the country has had a deficit of 6.7% of GDP in 2022, versus the level of 7.2% of GDP seen in 2020. This reduction follows the trend of debt to GDP, being jointly influenced by material service sector recovery growth and enhanced revenue collection. The fiscal deficit is track 3.0% of GDP in 2023 according to the IMF.

Of note, the country's inflation was 2.9% in 2021 as the services sector rebounded and travel restrictions eased, thus, lifting energy global prices. This is contextualized by the country's 1:1 currency peg to the US dollar. Thereafter, inflation hit a four year high of 5.6% in 2022 as Bahamas felt the pass-through effect of commodity prices ballooning on the back of the Ukraine-Russia conflict. These factors guided S&P Global Ratings assigning a B+ rating with a Stable outlook on November 22, 2022.

Barbados

Barbados' GDP grew by 10% in 2022, led by its services sector, with tourism being the dominant player as the post-pandemic recovery continues. Notably, 2023 IMF growth estimates stood at 4.9% as the government reaps the benefit of the success of IMF's Barbados Economic Recovery and Transformation (BERT) program, aimed at stabilizing debt levels and fiscal consolidation.

Barbados' debt to GDP peaked at 139.8% in 2020 then fell to 122.5% in 2022. This reduction is attributable to the success of the BERT program, by way of lower debt coupled with post-pandemic GDP growth. Factoring in the ongoing services sector-led economic recovery and access to IMF funding Barbados' debt to GDP is expected to track 114.6% in 2023. Over a longer horizon, Barbados is expected to achieve IMF's sustainable benchmark of 60% by 2033/34.

Barbados' inflation tracked 3.1% in 2021 as global energy prices leaped, coinciding with relaxed COVID-19 restrictions, and strengthening labor markets. Subsequently, inflation grew by a further 6.3 percentage points to a high of 9.4% in 2022 as the Ukraine-Russia conflict lifted global energy and food prices. In 2023, inflation is expected to moderate to 4.3% as a function of a massive decline in energy prices year over year. The progress seen in Barbados' debt metrics coupled with the expected moderation of inflation influenced Fitch's 'B' rating affirmation with a stable outlook in October 2022.

Cayman Islands

The Cayman Islands saw economic expansion of 3.7% in 2022, compared to GDP growth of 4.0% in 2021. The growth in economic activity in 2022 was driven mostly through fees from financial services which represented 30.6% of the government's total revenue for the year totaling CI$306.8M reflecting year over year growth of 5.9%. This was followed by year-over-year work permit revenues growing by 15% to CI$111M, accounting for 3.2% of fiscal revenue. This was supported by greater labour demand over the period due to the post-pandemic rebound. Property taxes, which boomed in previous periods due to strong a real estate market cooled by 10% YoY in 2022 to close at CI$99.9M. Overall, the Government of Cayman ran a fiscal surplus of CI$46.5M in 2022, representing approximately 0.82% of GDP.

At the end of 2022, Cayman's debt to GDP ratio tracked 8.9%. Meanwhile, the Cayman Islands experienced inflation of 5.9% in 2022, led by Food and Non- Alcoholic beverages (14.0%) and clothing and footwear (12.2%). According to the Government of Cayman, approximately 83.3% of total imports come from the United States, emphasizing the pass-through effect of US inflation on Cayman. For context US inflation averaged 8.3% in 2022. Moody's Investor Service affirmed Cayman's 'Aa3' rating with a stable outlook. The agency noted the country's significant tourism reliance, creating vulnerability to potential economic and climate shocks, while governance and security standards remain intact.

17.00%

Book Value CAGR (2011–2023)

Jamaica

Jamaica's GDP grew by 4.0% in 2022, led by its services sector accounting for ~70% of GDP. Notably, tourism eclipsed other industries as stop over arrivals grew 69.21% year over year to 2.47 million in 2022. Despite the material uptick in 2022, IMF estimates growth to slow to moderate to 2.2% in 2023, compared to the Planning Institute of Jamaica's (PIOJ's) half year 2023 estimate of 2.9%. This downshift in 2023 is due to a deceleration in the pace of post-pandemic recovery as tourism and other services subsectors see normalized growth, and as the goods producing sector slows jointly due to higher interest rates and drought conditions. Of note, Jamaica's unemployment fell from 6.5% in the January to March 2022 quarter to 4.5% for the January to March 2023 quarter as services sector jobs expanded materially according to Statistical Institute of Jamaica (STATIN) data.

15.34%

Net Interest Income CAGR (2011–2023)

Jamaica's debt to GDP was 82.7% in 2022 compared to 103.9% (2020) and 82.6% (2019) according to IMF data. This material decline in 2022 was led by a sharp rebound in GDP over the period coupled with ongoing fiscal consolidation. Jamaica's debt to GDP is on track to be ~70% in 2026, according to Fitch Estimates which is just above the IMF sustainable debt level of 60%. Jamaica is expected to have a small surplus of 1.8% of GDP in 2022, versus a deficit of 3.6% of GDP in 2020.

Jamaica's inflation stood at 9.5% in 2022 versus a level of 5.9% in 2021 as global energy prices ballooned on the back of the Ukraine-Russia conflict. The IMF estimates inflation should settle at 7.0% in 2023 just outside of the Bank of Jamaica's 4% - 6% target range due to a mix of higher energy costs and adverse effects of drought conditions. These factors influenced Fitch Ratings Agency's 'B+' rating with a positive outlook on March 7th 2023.

Outlook

Global growth is expected to be 3% for 2023 and 2024 according to the IMF, contextualized by the continuation of the services sector-led post-COVID recovery in the World's largest economies. Appending themes include robust consumer spending underpinned by a rebounding labour market in the United States, the World's largest economy. Latin America and the Caribbean region (LAC)'s growth is expected to be 1.9% for 2023 and 2.2% for 2024 according to the IMF as commodity prices, such as food and minerals are expected to remain elevated into 2024. However, risks going into 2024 include elevated geopolitical tensions, chiefly the ongoing Ukraine-Russia conflict, sticky inflation, global drought conditions, as well as the deceleration of China's economy. Beyond these factors, rising interest rates could hamper global economic growth despite the IMF 2024 global growth projection being 3%.

Contextualized by this expected inflation cycle also anticipate that the US Federal Reserve should extend its interest rate hiking cycle as a response, which is likely to spark volatility in security prices. By extension, this volatility and the potential downside could affect our results. However, utilizing our risk management toolkit and our team's expertise, we have responded to limit our downside and to optimize returns for shareholders via our operating pillars. On this basis, we remain prudent and confident in our ability to generate risk-adjusted returns for financial year 2023/24 despite the outlined challenges.

A PROVEN Track Record

PGL Historical Financial Summary	
PROVEN Track Record	**Result**
Dividends Paid Since Inception	**US$59.87M**
NPAT Generated Since Inception	**US$95.51M**
Total Dividend Payout of Total NPAT Since Inception	**62.68%**
Price Return Since Inception (US$)	**90.91%**
Net Interest Income CAGR (2011 – 2023)	**15.34%**
Net Operating Revenues CAGR (2011 – 2023)	**17.11%**
Book Value CAGR (2011 – 2023)	**17.00%**
Total Assets CAGR (2011 – 2023)	**18.33%**

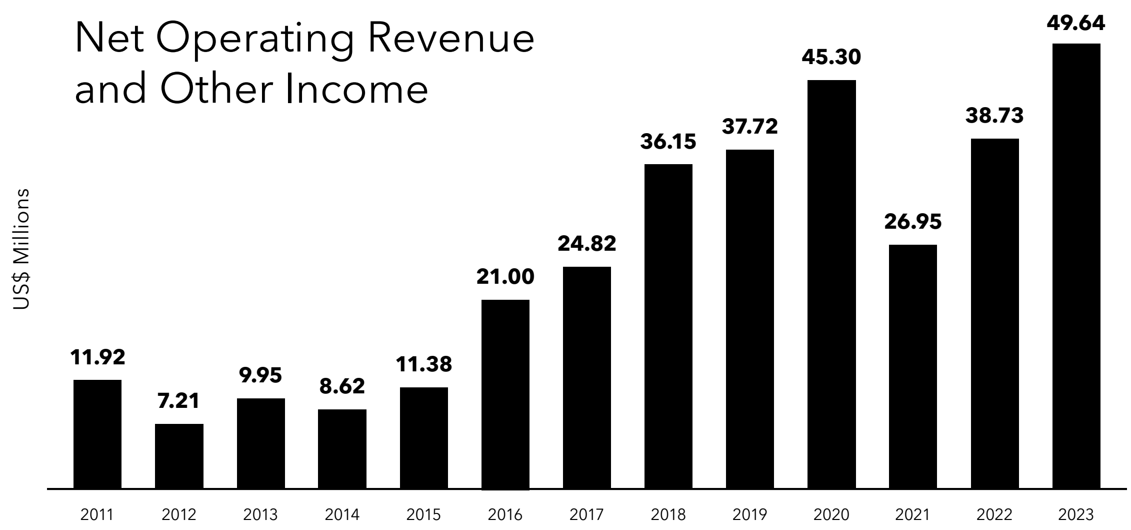
PGL Historical Investments			
Asset	**Investment Type**	**Date of Entry**	**Date of Exit**
Guardian Asset Management (now PROVEN Wealth)	Core Private Equity	2010	-
First Global Financial Services (now PROVEN Wealth)	Core Private Equity	2014	-
Asset Management Company Limited (now Access Financial Services)	Core Private Equity	2012	-
Knutsford Express Limited	Opportunistic Private Equity	2013 and 2014	2016
Dream Entertainment Limited	Opportunistic Private Equity	2019	2022
JMMB Group Limited	Opportunistic Public Equity	2019	-
Roberts Manufacturing Limited	Opportunistic Private Equity	2021	-
Fidelity Bank Cayman (now PROVEN Bank)	Core Private Equity	2021	-
Heritage Education Funds International	Core Private Equity	2021	-
International Financial Planning Limited	Core Private Equity	2021	-
BOSLIL Bank (now PROVEN Bank)	Core Private Equity	2021	-
Access Financial Services	Opportunistic Public Equity	2014	2019 (partial exit)

PGL Historical Raises			
Raise Type	**Raise Size**	**Period**	**Status**
Private Placement	US$20M	February 2010	Fully Subscribed
Rights Issue	US$6.8M	August 2010	Oversubscribed (US$9.6M)
JSE Listing By invitation	-	July 2011	-
5 Year 8% Pref Share	J$1B (US$11.58M)	December 2011	Oversubscribed (J$1.3B) or (US$15.1M)
Rights Issue	US$10.3M	May 2014	Fully Subscribed
Rights issue	US$20M	May 2015	Upsized to US$29.2M
Preference Share 8.25%	J$2B (US$15.52M)	December 2016	Fully Subscribed
Rights Issue	US$16.5M	July 2017	Fully Subscribed
Additional Public Offering	US$20M	January 2021	Oversubscribed (US$34.5M)

Financial Performance

Consolidated Net Revenue

PROVEN Group Limited achieved net revenue of US$49.64 million for the twelve-month period ended March 31, 2023, an increase of 28.2% when compared to the US$38.73 million recorded in the previous financial year. This revenue expansion is primarily due to the acquisitions of Roberts Manufacturing, PROVEN Bank Cayman ("PBC", previously Fidelity Bank Cayman) and Heritage Education Fund International ("Heritage"), all of which were completed at various points during the 2021/22 financial year and for which a full twelve months' results are now included in the 2022/23 financial year's results.

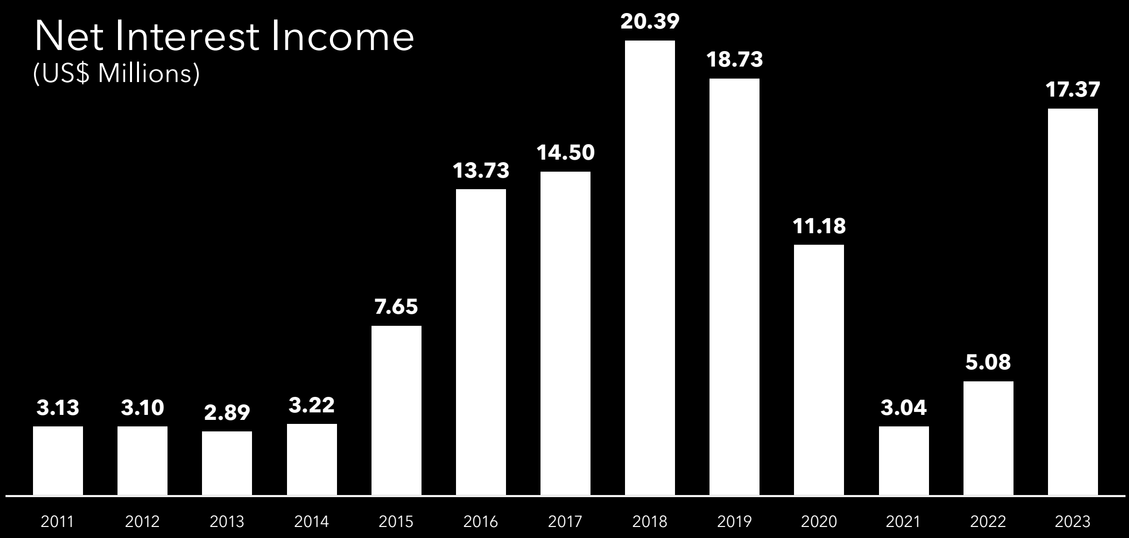


The primary revenue sources making up the performance for the period included:

- Net interest income totalled US$17.37 million for the year ended March 2023 versus US$5.08 million in the prior year. This increase was mainly due to the addition of US$14.63 million in net interest income from PBC in the full year's results.
- Fees & commissions totalled US$11.82 million and was 27.2% greater than the comparable prior year period, primarily because of the inclusion of PBC and Heritage in this year's results. This expansion was however partially reduced by the effect of a 19.25% reduction in fees and commission income generated by the wealth management companies within the Group. Global recessionary fears caused a major reduction in demand for fee-based investment banking and other products.
- Pension fund management income grew by 5.5% year over year to US$3.52 million for the year ended March 2023, resulting from marginal growth in the assets under management, which was tempered by the general decline in most asset values with the exception of real estate.
- Gross profit on manufacturing operations increased to US$9.97 million for the twelve-month period versus US$8.53 million last year. The current year's results contained the full twelve-months from Roberts Manufacturing, whereas last year's results only included the ten months from the closing of the acquisition. The gross margins for the current financial year declined by 2.7% from the rebased prior 10-month period result.

- Gross profit on property sales amounted to US$2.03 million for the 2022/23 financial year, compared to a loss of US$33,906 in the prior year, driven by the successful execution and completion of two major development projects in Jamaica, VIA at Braemar and Cesar.
- Share of results of associates amounted to US$8.48 million for the 2022/2023 financial year, resulting in a decline of 44.3% when measured against the similar period last year and constitutes a reduced 14.6% of overall Net revenue versus a 28.2% contribution in the prior year.

  For the period, JMMB Group, an associated company, contributed US$8.09 million versus US$14.46 million recorded in the comparable period ended March 2022. JMMB's performance, was also negatively affected by the unfavourable global market conditions' effect on asset prices.



Operating Expenses
Total Operating Expenses for the 2022/23 financial year totalled US$62.39 million, an expansion of 76.7% over the comparable period last, which was primarily due to the addition of PBC, Heritage and Roberts' full results in the 2022/2023 year's financials. These companies together account for more than half of the operating expenses figure in the 2022/2023 financial year.

The increase in expenses also contains some one-off costs linked to the Group's corporate restructuring, which is substantially complete, along with short-term transition expenses charged by the respective service providers of the newly added companies last year. The transition phase for Heritage concluded in October 2022 and for PBC is expected to conclude in February 2024. Further, the rebranding of the Group's banking and wealth businesses, which was concluded on February 1, 2023, also added to the increased expenses during the period.

Extraordinary Expenses
The major line item affecting net profits for the financial year ended March 31, 2023, resulted from the extraordinary impairment of the carrying value of investments in associated companies and intangible assets amounting to US$10.1 million, compared to an impairment of US$1.2 million in the prior year.

This impairment was mostly derived from the assessment on the Group's carrying value in Access Financial Services Company Limited, which was reduced by US$6.61 million, as well as a reduction in the carrying value of PROVEN Wealth (Cayman) Limited, (previously International Financial Planning Limited) of US$3.21 million.

Although this impairment has had significant impact on the performance of the Group for the 2022/23 financial year, we believe that the current carrying value of these investments is a better reflection of the accurate intrinsic value of these entities at the present time and anticipate that this impairment will be reversed in future periods, with the expected improvement in results from these subsidiaries and associated companies.

Consolidated Net Profit

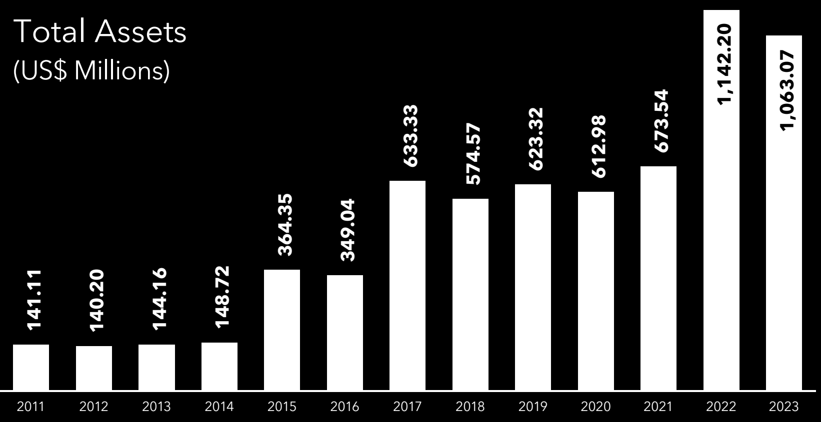
Net Profit/Loss
Net loss attributable to shareholders for the full financial year 2022/2023 was US$4.86 million compared to the US$11.97 million earned in the prior year. The decrease in the share of profits from and the extraordinary impairment of associates and intangibles assets, were primarily responsible for this disappointing result.

Despite challenging economic and market conditions, the Group maintains a positive outlook for the upcoming financial year. The Group is currently well positioned to extract much more consistent value from its varied revenue lines with; (a) the expected revenue growth from interest spread expansion and the upward re-pricing of the Group's income earning assets; (b) improved gross margins in the manufacturing business; (c) further expansion in assets under management and wealth management activities; (d) the completion and sale of additional real estate development projects, such as AVISTA at Bloomfield and; (e) the improved performance of the portfolio of associated companies.

The Group is encouraged by the performance for the first quarter, with net profit growth of 59.34% to US$2.78 million, compared to US$1.74 million over the same quarter last year. These results were derived from strong performance in most of the operating divisions, but particularly from the better than budgeted results of the banking division of the Group during the quarter. Earnings per share amounted to 0.35 US cents per share for the quarter and represents an annualized return on average equity of 8.44%.

Balance Sheet

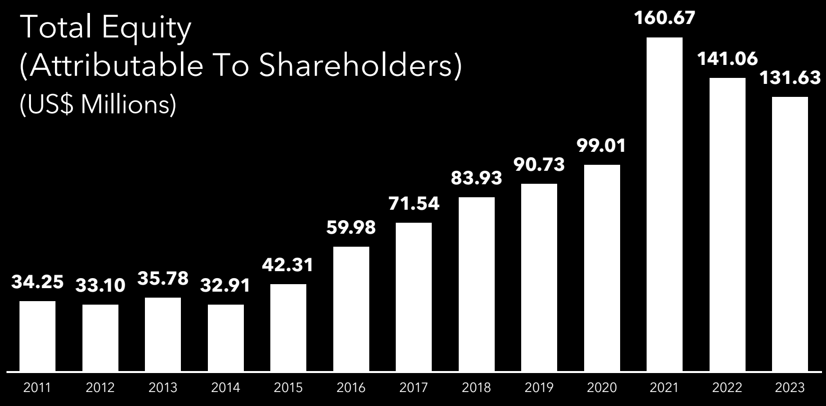
The Group's balance sheet contracted to US$1.06 billion as of March 31, 2023, with Total Assets declining by 6.93% from the US$1.14 billion reported at March 31, 2022. Meanwhile, Total Liabilities decreased by 6.45% to US$914 million as at March 31, 2023, from US$977 million as at March 31, 2022. The decline in total liabilities resulted mainly from the declines in balances due to customers of PBC and a sharp decline in notes payable. PROVEN Group's off-balance sheet assets expanded to US$643 million, as of March 31, 2023.



Shareholder's Equity

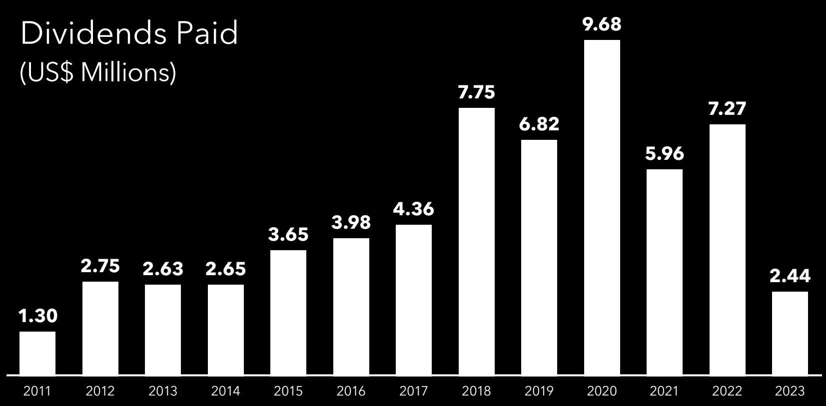
Total Equity attributable to shareholders of the company was reported at US$131.63 million as of March 31, 2023, down from US$141 million as of March 31, 2022. This was as a result of a US$6.43 million adverse shift in its investment revaluation reserves and a US$12.04 million decline in retained earnings, due to the impact of rising interest rates and the consequent market volatility on asset prices. The negative impact of these declines was tempered by a US$10.21 million increase in share capital. The growth in share capital was tied to a 25% increase in its stake of PROVEN Bank, which was partially financed by way of issuing 42.3 million new ordinary shares.

62.68% **Total Dividend Payout of Total NPAT Since Inception**



Dividend Payment

At the Board meeting held on August 11, 2022, the directors decided to declare an interim dividend for September 9, 2022, of 0.11 cents USD. Additionally, at the board meeting held on February 9, 2023 a dividend payment of 0.20 cent USD was declared for March 13, 2023. Total dividends of US$2.44 million (0.31 cents) were declared compared to US$7.27 million (0.81 cents) for the year ended March 31, 2022. The dividend declared represents a 12-month trailing dividend yield of 3% based on the average share price of US$0.24 for the twelve months ended March 31, 2022.



Investment Strategy

PROVEN Group Limited (PGL) is now in the value-creation phase of its investment cycle, which highlights a formula of asset productivity via inter-group synergies, refining operating efficiency and finetuning the capital mix to optimize returns. At this phase of the investment cycle, PGL is not focused on new acquisitions as was the case since inception to Financial Year 2021/22. This direction guided our shift from PROVEN Investments to PROVEN Group, where our assets could synergize more effectively and is in line with our vision of being the premier Caribbean and Latin American Private Equity firm. Our pillars of Banking and Wealth, Private Capital and Properties are supported by strong, sustainable tailwinds and form the basis of our attitude of stewardship and confidence.

Banking & Wealth Management

PROVEN Wealth
PROVEN Wealth continued its expansion throughout the Caribbean, during the period under review, with the renaming and rebranding of International Financial Planning to PROVEN Wealth (Bermuda) and PROVEN Wealth (BVI), in December 2022. These companies in addition to PROVEN Wealth (Cayman) and PROVEN Wealth (Jamaica) continue to expand the team of wealth advisors that will aggressively drive the distribution of its bespoke mutual fund, education savings and wealth advisory products throughout these territories under the PROVEN Brand. The Group has also already begun the process of applying to the regulators for an expansion of these licenses to be able to offer the full suite of wealth management product and services in all the territories in which they operate.

Revenues for the twelve-month period for the division were slightly behind last year, as the general market conditions tempered the growth of commission-based activities during the period. Expense growth was also above normal, as the division incurred additional expenses during the period from the finalizing of the rebranding of the companies and the exit of the transition services agreement for Heritage Education Fund International Inc. and integration with the Group. This downward trend is expected to be reversed in the near term, with the elimination of certain one-off expenses and a renewed focus on the fund management and advisory services.

PROVEN Bank
PROVEN Bank has now completed the restructuring, renaming and rebranding of the banking entities within the Group. Fidelity Bank (Cayman) Limited, which was acquired in February 2022 was renamed PROVEN Bank (Cayman) Limited effective August 2022. Boslil Bank Limited, which became a 100% owned subsidiary of the PROVEN Bank (Cayman) Limited effective September 2022, was renamed PROVEN Bank (Saint Lucia) Limited effective February 2023.

The high-quality assets of PROVEN bank, which mainly comprises variable rate residential mortgage loans in Cayman and a portfolio of investment grade bonds with a relatively low duration, are well positioned to benefit from the current high interest rate environment. The Group therefore expects that the Banks will continue to perform very well over the coming quarters.

Private Capital
The Private Capital Division currently consist of a portfolio of Private Credit facilities and four portfolio Companies; namely, Access Financial Services Limited, PROVEN Holdings Limited (the Company that holds the JMMB Shares), and Roberts Manufacturing Company Limited.

The Private Capital Division continues to demonstrate resilience amidst a decidedly risk-off operating environment. Net profit contribution for the twelve-month period was lower than the prior year primarily due to; (i) compressed margins, which emanated primarily from supply chain disruptions faced by Roberts Manufacturing; (ii) the negative impact of rising interest rates on JMMB Group's core revenue lines; and (iii) the increased competitive landscape in the microfinance sector.

The Division expects improvements in overall operating efficiencies, coupled with internal process refinements that will continue to enhance margin growth from the manufacturing division, along with the improvement of asset prices as interest rate hikes moderate over time.

Pillar	Pillar Lead	Products and Solutions	Territorial Reach/ Exposure
PROVEN Wealth	Simona Watkis (Region 1)	Education Funds, Pension Products, Brokerage Services, Investment Banking Services, Asset Management, Financial Advisory services, Structured Products, Cambio Services	Barbados, British Virgin Islands, Bermuda, Cayman
	Luwanna Williams (Region 2)		Bahamas, Jamaica
PROVEN Bank	Christopher Williams	Savings Accounts, Mortgages, Personal Loans	Cayman, Panama, St Lucia, Uruguay
PROVEN Properties	Aisha Campbell	Residential and Commercial Real Estate Solutions	Cayman, Jamaica
PROVEN Private Capital	Nerisha Farquharson	PROVEN Group's On Balance Sheet Tactical Investment Portfolio	Barbados, Dominican Republic, Jamaica, Trinidad and Tobago

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and Staff, and the patronage of our valued clients.

Real Estate

PROVEN Properties
PROVEN Properties (PPL) continues to execute on its mandate to develop a diverse portfolio of prime residential, commercial and industrial real estate across the Caribbean region. The company has produced a strong financial performance during the year, primarily driven by the successful execution and completion of two major development projects in Jamaica, VIA at Braemar and Cesar. The first quarter for PPL was driven by profits from The Lagoons residential development

in Grand Cayman (PPL is a 40% partner) along with rental income from properties in Jamaica and Grand Cayman, having expanded the number of rentals in its portfolio.

PPL will continue to opportunistically expand the portfolio by executing creative deal structures and targeted marketing campaigns that will extend its deal pipeline in Jamaica, Grand Cayman and Barbados. The upcoming year will be a busy one consequent on the launch of two major residential development projects, Sol Harbour in Ocho Rios and Bahari in Runaway Bay.

The company will also focus on growing its industrial real estate portfolio with the completion of the Aashgo warehouses in Grand Cayman and ground-breaking for the Kingston Gateway Warehouses in Jamaica in the current financial year. The PROVEN group will also be consolidating its Jamaica operations at its new home, PROVEN Place, which is a joint venture commercial development undertaken by PPL.

Residential Development	Location	Description	Status
AVISTA at Bloomfield	Bloomfield, Mandeville	78 Apartments (40 Studios, 20 One Bedroom, 18 Two Bedrooms)	September 2023
Sol Harbour	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	December 2025
Bahari at Runaway Bay (49% stake)	Cardiff Hall, St. Ann	206 Residential Units (85 Villas, 73 Townhomes, 48 Condominiums)	November 2025
Fairbanks (Phases 1 & 2) (40%)	Fairbanks, Grand Cayman	"14 (3 Bedroom Townhomes with den) 14 (3 Bedroom Townhomes with den & office)"	January 2026
Commercial Development	**Location**	**Description**	**Status**
Kingston Gateway Warehouse Complex (50%)	221-223 Marcus Garvey Drive	100,000 SF of warehouse space	November 2024
Gladstone Commercial (60% stake)	Gladstone Drive, Kgn. 5	41,872 SF of commercial space	Completed
Bloomfield Commercial	Bloomfield, Mandeville	100,000 SF of commercial space	February 2025
RENT/LEASE	**Location**	**Description**	**Status**
Real NPW	Newport West, Kgn. 13	29,680 SF of commercial space	100% Occupancy
Real Portmore Pine 1	Portmore Pines Plaza, Greater Portmore	26,908 SF of commercial space	100% Occupancy
Real Portmore Pines 2 (51% stake)	Portmore Pines Plaza, Greater Portmore	51,689 SF of commercial space	100% Occupancy
Chelsea Lands	12 Chelsea Avenue, Kgn. 5	0.47 acres of land for parking	100% Occupancy
9 West Avenue Commercial Complex	9 West Avenue, Kgn. 8	45,000 SF of commercial space	100% Occupancy
Rum Point Unit 303	Rum Point Club, Grand Cayman	2235 SF of resort space	100% Occupancy
Rum Point Unit 403	Rum Point Club, Grand Cayman	2235 SF of resort space	100% Occupancy
Ashgo Warehouse Unit 3	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)
Ashgo Warehouse Unit 4	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)
Ashgo Warehouse Unit 5	Ashgo Street, Grand Cayman	1625 SF of warehouse/commercial space	Not Occupied (Anticipated Aug 2023)

18.33%
Total Assets CAGR (2011–2023)

95.51
Million US$
NPAT Generated Since Inception

17.11%
Net Operating Revenues CAGR (2011–2023)

59.87
Million US$
Dividends Paid Since Inception

Ten-Year Statistical Review

	2014 US$ $'000	2015 US$ $'000	2016 US$ $'000
Income Statement Summary			
OPERATING REVENUE NET OF INTEREST EXPENSE	8,251	10,837	19,448
OTHER INCOME	366	542	1,548
TOTAL OPERATING NET OF INTEREST EXPENSE & OTHER INCOME	8,617	11,379	20,996
TOTAL OPERATING EXPENSES	3,633	8,284	16,839
OPERATING PROFIT	4,984	3,095	4,157
PREFERENCE SHARE DIVIDEND	969	1,456	331
SHARE OF PROFITS OF ASSOCIATES	-	-	-
NET PROFIT (ATTRIBUTABLE TO OWNERS OF THE COMPANY)	3,788	5,365	2,344
Financial Position Summary			
TOTAL ASSETS	148,718	364,345	349,043
INVESTMENT SECURITIES	114,918	208,379	232,158
REPURCHASE AGREEMENT	44,075	183,811	159,830
NOTES PAYABLE	56,298	103,122	96,529
CUSTOMER DEPOSITS	-	-	-
TOTAL LIABILITIES	115,699	310,581	276,075
SHAREHOLDERS EQUITY (EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY)	32,908	42,308	59,976
Profitability Ratios			
RETURN ON AVERAGE EQUITY	11.03%	14.27%	4.58%
RETURN ON AVERAGE ASSETS	2.59%	2.09%	0.66%
EFFICIENCY RATIO	53.41%	62.22%	78.43%
Stock Unit Information			
DIVIDENDS PAID ($'000)	2,651	3,650	3,980
DIVIDEND PAID PER SHARE	0.009	0.010	0.007
DIVIDEND YIELD %	6.91%	5.50%	3.44%
AVERAGE SHARE PRICE FOR FINANCIAL YEAR	0.13	0.18	0.21
EARNINGS PER SHARE- cents	1.28	1.46	0.42
NUMBER OF SHARES ISSUED	294,951,884	368,689,855	551,595,777

2017 US$ $'000	2018 US$ $'000	2019 US$ $'000	2020 US$ $'000	2021 US$ $'000	2022 US$ $'000	2023 US$ $'000
23,816	32,483	32,879	31,911	23,267	29,498	45,971
1,006	3,667	4,841	13,390	3,682	9,228	3,671
24,822	36,150	37,720	45,301	26,949	38,726	49,642
18,249	23,561	26,133	37,922	20,776	35,309	62,389
6,573	12,589	11,587	7,379	6,173	3,417	(12,747)
2,184	976	1,289	8,605	2,743	2,556	-
-	-	1,308	10,438	10,699	15,214	8,481
8,850	5,682	6,847	29,979	11,532	11,967	(4,864)
633,330	574,569	623,321	612,982	673,535	1,142,203	1,063,066
362,259	369,085	336,740	291,396	265,291	335,192	378,680
142,999	93,709	88,625	77,609	68,318	67,243	78,333
96,687	110,961	185,550	154,503	134,845	210,768	228,352
270,055	240,829	221,051	250,432	286,293	661,493	568,685
543,473	469,563	510,178	507,562	505,117	976,718	913,724
71,536	83,928	90,725	99,010	160,674	141,061	131,634
13.46%	7.31%	7.84%	31.60%	8.88%	7.93%	-3.57%
1.80%	0.94%	1.14%	4.85%	1.79%	1.32%	-0.44%
62.20%	67.79%	70.26%	57.68%	62.47%	70.20%	107.34%
5,065	7,747	6,820	9,681	5,964	7,274	2,440
0.008	0.010	0.011	0.015	0.009	0.0081	0.0031
3.76%	4.25%	5.19%	5.73%	3.75%	3.38%	1.49%
0.21	0.24	0.21	0.27	0.25	0.24	0.21
1.60	0.91	1.09	4.79	1.81	1.58	-0.62
551,595,777	625,307,963	625,307,963	625,307,963	636,484,966	759,432,000	801,732,000

Corporate Social Responsibility

Maintaining social responsibility as an organization is no simple task. The enormity of the responsibility is that much more palpable in the aftermath of severe global events like the pandemic. While the world continues to steadily work on establishing and embracing the 'new normal', there remain many unknowns and a sense of apprehension about what may be next. However, at PROVEN Group, we contend with the various needs across our communities all to support growth and to persevere. We are building strong financial foundations with integrity. We are strengthening community ties through teamwork. We are sustaining success with our performance. We are helping when needed most with respect. We are committed to driving meaningful change through our Corporate Social Responsibility (CSR) commitments because We.Are.PROVEN.

KEY AREAS OF FOCUS

For the financial period ending March 31, 2023, our three core areas within the CSR framework remains - Community Development, Education, and Entrepreneurship. We continue to see increased demands in the post-pandemic era as collective efforts expand around raising funds and meeting specific needs related to education, healthcare, and sports. Significant demands were observed in Community Development and Education as reflected in the total expenditures for the period.

We spent **USD$264,542** on our **CSR portfolio.** A **107%** increase year over year.

↑118%
US$233,165
Community Development

↑133%
US$26,356
Education

↓46%
US$5,020
Entrepreneurship

COMMUNITY DEVELOPMENT

Community Development remained a central pillar of our CSR efforts. In the period under review, PROVEN allocated USD$233,165.20 to various projects, an impressive 118% increase from the previous year. Through collaborative partnerships with organisations such as the Jamaica Paralympic Association, Jamaica Cancer Society, United Way of Jamaica, NY 60th Jubilee Gala, and Churches Community Giving, we worked diligently to foster positive change in the areas of healthcare and sports. Sporting activities supported included Netball, Tennis Jamaica Davis Cup, and Jamaica Inn Backgammon Tournament. Fraser McConnell, Jamaica's most successful professional racing driver, was also a beneficiary of PROVEN's philanthropic efforts, helping to bolster his continued success internationally. These initiatives have not only enriched the lives of individuals but also strengthened the bonds within our communities.

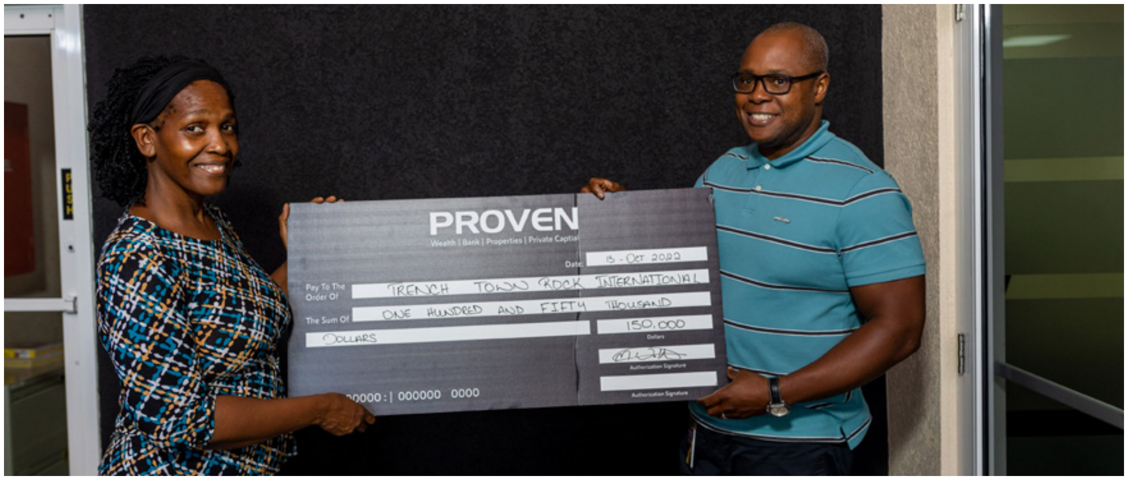
EDUCATION

Our commitment to education remained resolute, with the largest year-over-year increase of 133% in funding. A total of USD$26,356.04 was invested in programmes aimed at improving educational outcomes and increasing access to essential resources. By collaborating with esteemed institutions like the University of the West Indies (UWI), we contributed to a brighter future for numerous students. We believe that education is the cornerstone of progress and we are dedicated to providing opportunities for growth and learning.

ENTREPRENEURSHIP

While our Entrepreneurship portfolio experienced a 46% reduction in expenditure, totalling USD$5,020.84, this adjustment was a strategic response to the evolving business landscape following the COVID-19 pandemic. We recognize the importance of adaptability and innovation, and our ongoing commitment to entrepreneurship remains steadfast. As the business environment continues to evolve, we will continue to explore new avenues for supporting aspiring entrepreneurs and driving economic growth.

As a company, while we focus on doing well, ensuring that targeted goals are met for our team members, partners, and investors, we take great pride in doing good. Our core values – Integrity, Teamwork, Performance, Respect – guide our general business practices, and our CSR efforts as we work steadfastly to contribute intentionally and consistently to the communities in which we work, live, and serve. Through our initiatives,

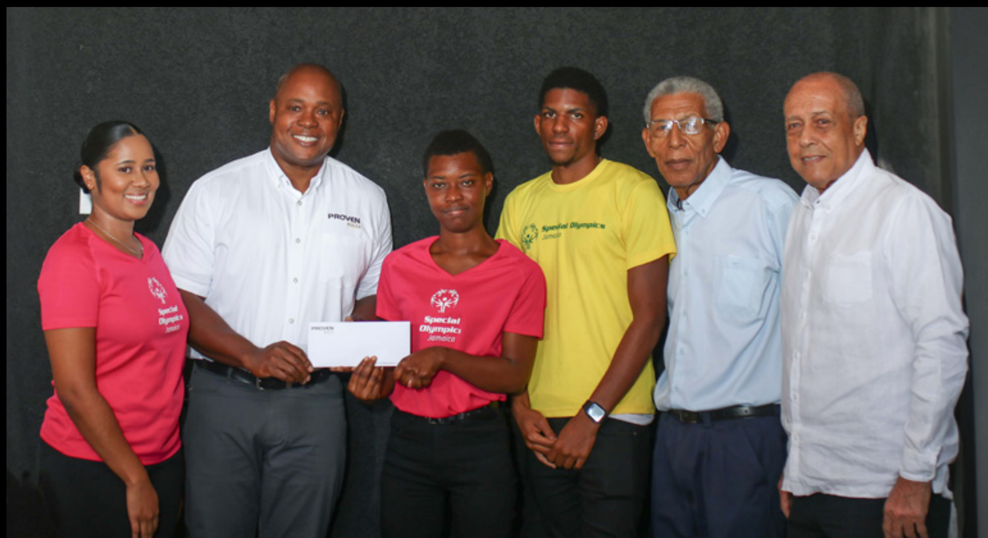


we are improving educational outcomes by helping to increase access to necessary resources for those most in need. We are supporting healthier living with better access to screenings and updated medical equipment. We are cheering loudly and enthusiastically for our many athletes who help to make our small island a force to be reckoned with globally. We are building a philanthropic portfolio that will shape a solid foundation for sustainable giving.

LOOKING AHEAD: ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG)

As PROVEN Group continues to evolve, the next phase of our development includes a focus on Environmental, Social and Corporate Governance (ESG) standards to help guide how we operate responsibly and ethically as a company. Our CSR efforts will play an integral role in this phase, and we envision initiatives centred around three critical areas – Access to Capital, Food Security, and Access to Education and Housing. These areas closely align with our organisational vision and structure and reflect our commitment to addressing pressing societal challenges. As we look ahead, we are excited to embark on a new phase of development, marked by our commitment to ESG standards and our unwavering dedication to meaningful and impactful CSR initiatives. The PROVEN Group family is always humbled to be able to serve communities in need through meaningful projects that reflect the company's ethos. We are creating a better future together.

We.Are.PROVEN.



ENGAGING THE DIGITAL WORLD

Join us to recap the exciting milestones, campaigns, and interactions that have shaped our online community and fostered meaningful connections with our audience during the year.

@weareproven | @provenwealth.region1 | @provenbank | @provenproperties

OUT & ABOUT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Corporate Governance

The Board of Directors of PROVEN Group Limited strive to govern the company in a manner that is prudent and transparent and have adopted a governance structure that aligns to best practice. The Board is committed to the improvement of investor confidence, through the promotion of good governance in the performance of its duties that will assist the Company and its subsidiaries deliver long- term value to its shareholders.

BOARD OF DIRECTORS

The Board of Directors has overall responsibility and accountability for the company's affairs by overseeing the strategic and operational direction of the Company. As stewards of the Company, the Board is ultimately responsible for ensuring that the Company and portfolio companies apply and establish the Corporate Governance policy. The Board provides the necessary oversite to the subsidiaries Board and their Committees to ensure that good corporate values are entrenched within the organization as a whole, enhancing stakeholder value.

The responsibilities of the Board are separate and distinct from those of Management and include:

- Selecting individuals for Board membership and evaluating the performance of the Board, Board committees and individual directors
- Reviewing and monitoring implementation of strategic plans
- Reviewing and approving the annual operating plans and budgets
- Monitoring corporate performance and evaluating results compared to the strategic plans and other long-range goals
- Reviewing the financial controls and reporting systems
- Reviewing and approving the financial statements and financial reporting
- Reviewing the ethical standards and legal compliance programs and procedures
- Providing guidance and support to the management team

BOARD COMPOSITION

The Board is currently comprised of seven directors and is chaired by Mr. Rhory McNamara, who assumed the role on March 31, 2023, following the retirement of Dr. the Hon. Hugh Hart O.J., LLD on even date. Our Directors possess diverse skill sets, experience and backgrounds which includes local and international experience in banking, business, strategic management, accounting, law and academia and are recognized as strong leaders in their respective fields. This enables them to provide strategic guidance and visionary leadership to the company and remain balanced and independent in the decision-making process. The Board consists of seven directors, of which six are independent directors. There was one director who resigned during the financial year, Mr. John Collins effective November 11, 2022. Subsequent to the financial year end, the Board appointed Ms. Sherri Murray as the Company Secretary effective May 26, 2023.

A director is deemed independent where he /she:

- Has not been an employee of the Company or Group within the last five years;
- Has not, or has not had within the last three years, material business relationship with the Company, either directly, or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Company;
- Has not received or is receiving additional remuneration from the Company apart from Director's fee;
- Does not participate in the Company's share option plan or a performance-related pay scheme, or is not a member of the Company's pension scheme;
- Does not have close family ties with any of the Company's advisors, directors or senior employees;
- Does not hold cross-directorship or does not have significant links with other directors through involvement in other companies or bodies;
- Does not represent a significant shareholder; or
- Has not served on the board for more than nine years from the date of their first election.

A director is considered an executive director where the director is a member of the management team of the Company or its subsidiaries and affiliates. The Board consists of one executive director.

Director	Executive	Independent
Rhory McNamara	Non-executive	Independent
Avinash Persaud	Non-executive	Independent
Jeffrey Gellineau	Non-executive	Independent
Garfield Sinclair	Executive	Not independent
Anya Chow Chung	Non-executive	Independent
Neysha Soodeen	Non-executive	Independent
John-Paul Clarke	Non-executive	Independent

BOARD MEETINGS

In order to perform its responsibilities as custodian of the business, the Board meets regularly at least four times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. Board members are required to attend board and assigned board committee meetings regularly and to prepare for and participate actively in those meetings. The contribution of their professional opinion and experience garners well for an environment that fosters open and effective debate. For the financial year ended March 2023, the Board and the Audit & Compliance Committee convened four times and six times, respectively, which were all regularly scheduled meetings. The attendance record of each of the directors for the Board meetings and the board committee meetings is listed as follows:

PGL Board Meetings 2022/2023	JUN 2022	AUG 2022	NOV 2022	FEB 2023
Hugh Hart	✖	✖	✔	✔
Avinash Persaud	✔	✔	PROXY	✔
John Collins	✔	✔	PROXY	✔
Jeffrey Gellineau	✔	✔	✔	✔
Rhory McNamara	✔	✔	✔	✔
Garfield Sinclair	✔	✔	✔	✔
Anya C. Chow Chung	✖	✔	✔	✔
Neycha Soodeen	✔	✔	✔	✔
Dr. John-Paul Clarke	✔	✔	✔	✔

PGL Audit Committee Meetings 2022/2023	3 Jun 2022	24 Jun 2022	11 Aug 2022	31 Aug 2022	11 Nov 2022	Feb 2023
Jeffrey Gellineau	✔	✔	✔	✔	✔	✔
Rhory McNamara	✔	✔	✔	✔	✔	✔
Garfield Sinclair	✔	✔	✔	✔	✔	✔
Dr. John-Paul Clarke	✔	✔	✖	✔	✔	✔

BOARD TRAINING

Directors are required to improve and maintain the knowledge and skills necessary to discharge their duties and responsibilities fully and effectively. To maintain the knowledge and expertise required to better understand the operations of the Company and to properly discharge their role and function as Directors, annual AML /CFT Training is organized for Directors.

OVERSIGHT OF THE INVESTMENT MANAGERS – PROVEN MANAGEMENT LIMITED

PROVEN Management Limited ("PML") is domiciled in Jamaica and incorporated under the Companies Act. PML has been registered by the Financial Services Commission ("FSC") since October 8, 2009, to conduct activities in the regulated financial services industry as a Securities Dealer. The principal activity of PML is the investment management of the investment company PGL. PML is also responsible for managing the operations of PGL including identifying, analyzing, and negotiating potential investments, monetizing the performance of these investments and ensuring adherence to established policies and procedures of PGL.

The Investment Management Committee (IMC) of PGL was established by the Board of Directors of PML. The members of the IMC comprises mandatory invitees of all the senior managers of PML. Therefore, although PGL does not have any employees, PML has a full staff compliment which executes the operations for PGL.

As part for governance framework of PML, there are established internal policies and procedures, covering the operational, financial and regulatory framework within which it operates, including but not limited to:

(a) Anti-Money Laundering, Counter Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF)

(b) Human Resources – that protects the safety and welfare of all employees (i.e., code of conduct and ethics, confidentiality, staff related allowances and benefits such as time-off leave, participation in an Employee Share Agreement)

(c) Information Technology and Systems

(d) Security Awareness and Cyber Security

(e) Investment and Risk Management

(f) Whistleblower

Annually all employees of PML are required to attend the job related specific training; and all employees and directors to attend AML/CFT/CPF training as stipulated by regulations.

BOARD EVALUATION

The Board Charter sets out the requirements for a formal review of the performance of the Board at least annually. A review of the Board's performance was conducted on November 11, 2022.

The Board assessed the effectiveness of its performance through an annual questionnaire-based evaluation. The key issues covered include the size, composition, and independence of the board; director orientation and development; understanding of the business, including risks, oversight of the financial reporting process including internal controls and oversight of audit activities. It was determined from the evaluation performed that the Board and its Committee continued to operate effectively, and that each director contributed well to the discussions and strategy considerations.

BOARD COMMITTEE

The Board delegates its powers and authorities from time to time to committees in order to ensure that operational efficiency and specific issues are being handled with relevant expertise.

The directors have delegated specific functions to a sub-committee, the Audit and Compliance Committee, to assist the Board in ensuring that there is independent oversight of internal control and risk management. The Audit and Compliance Committee is governed by a charter that outlines its role and responsibilities. The Chairman of the Audit and Compliance Committee reports to the Board on matters discussed at Committee meetings.

AUDIT RISK & COMPLIANCE COMMITTEE

The committee comprises two independent non-executive directors and one executive director; whose role includes ensuring compliance with statutory and any relevant requirements for any public financial statement made by the company.

The Audit committee continues to play a key oversight role on behalf of the Board. The committee's functions include oversight of the internal audit and external audit process, risk management and assessing the company's level of compliance with legal and regulatory requirements. Details of the committee's responsibilities are outlined in the Audit and Compliance Committee Report on pages 56 to 58 of the Annual report.

SHAREHOLDER AND STAKEHOLDER ENGAGEMENT

The company is committed to maintaining and improving dialogue with shareholders. The Board continues to use the Annual General Meeting (AGM) as its principal opportunity to inform shareholders on the company's affairs. Participation and open discussion at the AGM are encouraged. Members of the Management company are required by the Board to attend the AGM to answer questions. Our shareholders and investors were updated on the Company's performance and plans at the Annual General Meeting (AGM) held on September 22, 2022.

SHAREHOLDER COMMUNICATION

The Board recognizes the importance of communication with the Company's shareholders and aim to engage with shareholders transparently and regularly in order to facilitate a mutual understanding of our respective objectives. The annual general meeting of the Company provides an opportunity for face-to-face communication between the Board and the shareholders of the Company and promotes effective and open communication with all shareholders. Minutes of the annual general meeting, including the questions asked by stakeholders, are available to shareholders on request or at the subsequent AGM. Shareholders may also submit a request for a copy of the minutes via email to info@weareproven.com and a copy will be emailed to them.

The Company makes extensive use of the Company's website to deliver up-to-date information to ensure that all shareholders have equal and timely access to important company information. The Company's website at weareproven.com includes the latest information regarding the activities and publications of the Group in order to provide comprehensive information on . The Company's annual report is available on our corporate website as well as quarterly Investor updates on our financial performance and business highlights which are provided in our Shareholders magazine.

DIRECTORS COMPENSATION

Our Corporate Governance Code, recognize that levels of remuneration of a company's executives and board members should be sufficient to attract, retain and motivate persons of the quality required to support the success of the business. Employees who serve on Boards do not receive additional compensation for service performed in this capacity. The emoluments paid to directors for the financial year of US$ 178,000 is shown in note 30 of the financial statements on page 128 of this annual report.

Directors are compensated based on the number of Board and Audit Committee meetings they have attended.

ETHICS

Underpinned by our core values of Integrity, Respect, Teamwork and Performance, PROVEN reinforces our commitment to ethical business conduct through our Code of Business ethics that is the hallmark of how we operate and do business. The policy ensures that:

OUR MANAGEMENT TEAM

- Leads by Example by protecting the company's reputation for integrity and professionalism and by inspiring confidence and trust in our clients, shareholders, employees, and the wider community.
- Practices Prudent Management based on sound economic sense in order to safeguard stakeholders' investments and to secure satisfactory returns.
- Is Accountable to all stakeholders.
- Values their Employees - they are treated fairly, with dignity and judged solely on their ability to meet the job requirements. They ensure that the company is where the best people want to work.

OUR EMPLOYEES

- Have a fundamental respect for each other irrespective of rank, social standing, or any other distinction.
- Have a duty to conduct and support their line manager in conducting business responsibly and in compliance with laws, regulations, codes, policies and procedures.
- Take their responsibilities seriously, are competent and honor their obligations to colleagues, clients and other business contacts.

OUR CLIENTS

- Are treated equally. We do not practice favoritism regardless of net worth, societal status, personal or political associations. All clients deserve the same attention and best service we can provide.
- Benefit from their Association with us. We recognize that the client is our reason for being and thus we maintain high standards of customer service and respond to and anticipate the customer's needs.

The Board possesses experience and backgrounds in banking, business, strategic management, accounting, law and academia

OUR SHAREHOLDERS

- Maximize their worth by providing competitive returns on their investment.
- Enhance the reputation of the company thereby creating value and strengthening the company's position in the market.
- Safeguard their assets using disciplined and informed management

Our Code of Business Conduct can be viewed in its entirety on our website at **weareproven.com**.

WE VALUE YOUR OPINION

Your support and opinion are invaluable to us. We encourage you to share your suggestions and concerns with us. You can do so by emailing us at **info@weareproven.com**.

The Board of Directors has approved the aforementioned Corporate Governance Framework and Policy on page 28.

The Board's Corporate Governance policy can be viewed in its entirety on the company's website at **weareproven.com**

Audit, Risk & Compliance Committee

2023 COMMITTEE REPORT

The Audit and Compliance Committee (ACC) (the "Committee ") is pleased to present their Report for the financial year ended March 2023.

The Board has the ultimate authority for effective corporate governance, including the role of oversight of the management of the Company. The ACC continues to play a key role on behalf of the Board. The primary role of the ACC is to assist the Board in fulfilling its oversight responsibilities in areas such as the effectiveness of the risk management framework and system of internal controls, the integrity of the financial reporting process, as well as consideration of ethics and compliance matters. The Committee is entrusted to make recommendations to the Board on the appointment or reappointment of the external auditor and internal auditors.

The Committee consists of four members and is chaired by Mr. Jeffrey Gellineau, a non-executive director who is a financial expert i.e., a qualified accountant or has significant recent and relevant financial expertise. The other members are financially literate in accordance with the Terms of Reference for the Committee.

The Committee met six times during the year and executed its role and responsibilities as outlined in the charter that has been adopted. The attendance of the members to the meetings of the Audit and Compliance Committee is indicated on page 53 of the Annual Report.

During the year, the Committee, amongst its other duties:

- Assessed the independence, performance, and scope of the annual audit plan of the external auditors and recommended their approval to the Board;
- Approved the scope of the annual audit plan, completed by Internal Auditors and the related budget and staffing;
- Received briefings from the Internal Auditor on the effectiveness of the Company's risk management and internal control system and on the outcomes of significant audits and notable control matters;
- Reviewed the Finance, Compliance, Risk and Governance performance of the Company throughout the year and considered areas which required significant judgement, the sources of estimation uncertainty and other key assumptions in light of economic and market uncertainty.

The Board accepted the recommendations of the ACC whenever made by the Committee during the year.

The roles and responsibilities of the ACC, as set out in its Terms of Reference, are reviewed annually taking into account relevant regulatory changes and recommended best practice. The full mandate of the Audit and Compliance Committee as outlined in its Board-approved charter is reflected below:

PURPOSE

The purpose of the Audit and Compliance Committee of the Board of Directors (the "Committee") is to assist the Board of Directors of PROVEN Investments Limited (hereinafter referred to as either "PROVEN " or "the Company") in fulfilling its oversight responsibilities for:

1. The integrity of the Company's financial statements.
2. The Company's policies, programmes and procedures to ensure compliance with the relevant legal and regulatory requirements, the Company's Code of Ethics and Conduct, policies, other relevant standards and best practice.
3. The Company's efforts to implement legal obligations arising from material agreements and undertakings.
4. The qualifications and independence of the Company's external auditors.
5. The performance of PROVEN 's internal audit function and its external auditors.

MEMBERSHIP

1. The Committee will consist of at least three and no more than nine members of the Board of Directors. The majority will not be officers or employees of the Company or any of its affiliates.
2. The Committee shall be chaired by a member who is a non-executive director.

3. No members shall participate in any issue in which that member has a direct personal, financial or business interest.
4. The members of the Committee and the Chair of the Committee shall be appointed annually by the Board on the recommendation of the Nomination Committee of the Board. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine.
5. Each Committee member will be financially literate. At least one member shall be designated as the "financial expert", i.e. a qualified accountant or shall have significant recent and relevant financial experience.

RESPONSIBILITIES

The Audit and Compliance Committee shall have the duty and responsibility to:

1. Financial Statements

a. Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
   - Complex or unusual transactions and highly judgmental areas.
   - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the
   - Company's selection or application of accounting principles.
   - The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

b. Review analysis prepared by management and/or the external auditor, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative international Accounting Standard methods on the financial statements.

c. Review with management and the external auditors the results of the audit including any difficulties encountered. This review will include any restrictions on the scope of the external auditor's activities, or on access to requested information, and any significant disagreements with management.

d. Review the annual financial statements and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.

e. Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.

2. Internal Control

a. Consider the effectiveness of the Company's internal control system.

b. Understand the scope of the internal and external auditors' reviews of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

3. Internal Audit

a. Review the procedures established for the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters.

b. Review the effectiveness of PROVEN 's internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.

c. Meet separately with internal auditors, to discuss any matters that the Committee or Group internal audit believes should be discussed privately.

4. External Audit

a. Review the external auditors' proposed audit scope and approach including coordination of audit effort with internal audit.

b. Review the performance of the external auditors, and exercise final approval on their appointment or discharge. In performing this review, the Committee will:
   - At least annually, obtain and review a report by the external auditor describing the firm's internal quality-control procedures; any material issues raised by the most recent internal quality control review, or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the external auditor and the Company.
   - Take into account the opinions of management and the internal audit.
   - Review and evaluate the lead partner of the external auditor.

- Present its conclusions with respect to the external auditor to the Board.

c. Consider the rotation of the lead audit partner every five years and other audit partners every seven years and consider whether there should be regular rotation of the audit firm itself.

d. On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or external auditors believe should be discussed privately.

5. Compliance

a. Review the Company's policies, programmes and procedures for ensuring compliance with relevant legal and regulatory requirements, the Company's Code of Ethics and Conduct, other relevant standards, best practice and legal obligations, including those imposed by material agreements and undertakings.

b. Review annually PROVEN 's Compliance Plan and assess the implementation of the plan during the period under review.

c. Review the findings of any examinations by regulatory agencies and any auditor observations.

d. Review the process for communicating the code of conduct to the Group's personnel and for monitoring compliance therewith.

e. Review PROVEN 's compliance risk assessment plan.

f. Investigate, or cause to be investigated, any significant instances of non-compliance or potential compliance violations that are reported to the Committee.

g. Review any legal matters that could have a significant impact on the Company's financial statements, compliance with applicable laws and regulations, as well as inquiries received from regulators and government agencies.

h. Meet separately with the Head of the Finance/Compliance Department to discuss compliance matters and to receive regular updates on compliance matters in relation to the Company's business and to discuss any matters that the Committee believes should be discussed privately.

6. Reporting Responsibilities

a. Report to the Board of Directors about the Committee's activities and issues that arise, with respect to the quality or integrity of the Company's financial statements; the Company's compliance with legal or regulatory requirements; its, policies, relevant standards and best practice; the performance and independence of the Company's external auditors and the performance of the PROVEN 's internal audit function.

b. Provide an open avenue of communication between internal auditors, the external auditors, and the Board of Directors and between PROVEN 's and the Company's compliance functions and the Board of Directors.

c. Review any other reports that relate to committee responsibilities.

d. Report to the Board of Directors any matter for which action or improvement is needed and make recommendations as to the steps to be taken.

7. Other Responsibilities

a. Discuss with management the Company's major policies with respect to risk assessment and risk management.

b. Perform other activities related to this charter as requested by the Board of Directors.

c. Institute and oversee special investigations as needed.

d. Review and assess the adequacy of the committee charter annually, requesting Board approval for proposed changes and ensure appropriate disclosure as may be required by law or regulation.

e. Confirm (annually) that all responsibilities outlined in this charter have been carried out.

Consolidated Financial Statements

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Telephone (758) 453-2298
Email: ecinfo@kpmg.lc

INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Opinion

We have audited the consolidated financial statements of Proven Group Limited ("the Company") and its subsidiaries ("the Group") set out on pages 69 to 161, which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statements of profit or loss, 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, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

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 GROUP LIMITED
(formerly 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. 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. *See notes 3(j) and 37(b) of the consolidated financial statements.*	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 design and implementation of the control over management review of the expected credit losses. • Tested the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Challenged management's key assumptions by involving 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly 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*
Therefore, the impairment of financial assets has a high degree of estimation uncertainty. *See notes 3(j) and 37(b) of the consolidated financial statements.*	We performed the following procedures (continued): • 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. • 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 investees operate.	We performed the following procedures: • Evaluated whether there were indicators of impairment of the investments, considering market prices, the economic environment and business performance of each associate. • Tested the design and implementation of the control over management review of impairment testing of the intangible assets and investment in associates.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly 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 inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. *See notes 3(g), 12 and 14 of the consolidated financial statements.*	We performed the following procedures (continued): • Tested the reasonableness of the 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. • Compared the assumptions to externally derived data as well as our own assessments of key inputs, such as economic factors, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. • Compared 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. • Compared the carrying values to the computed recoverable amounts. • Assessed 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 GROUP LIMITED
(formerly 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. These market or economic conditions either has a direct impact on the Fair value measurement if fair value is determined based on market prices, or indirectly if a valuation technique is based on inputs that are derived from the market. *See notes 3(b), 5 and 38 of the consolidated financial statements.*	We performed the following procedures: • Tested the design and implementation of the control over management review of the valuation of investment securities. • 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 investment securities. • 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

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.

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 Standards, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

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. 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 67 to 68, 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

August 2, 2023

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly 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 skepticism 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 GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Appendix to the Independent Auditors' report (continued)

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

Consolidated Statement of Financial Position

As of March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	Restated* 2022 $'000	Restated* 2021 $'000
ASSETS				
Cash and cash equivalents	3(c)(ii)	144,798	286,147	151,859
Resale agreements	4	3,633	8,237	6,458
Owed by related party		819	275	91
Investment securities	5	378,680	335,192	265,291
Assets held for sale		-	-	266
Loans receivable	6	243,337	207,376	31,962
Trade and other assets	7	33,094	25,677	13,903
Inventories	8	10,124	7,972	-
Property development in progress	9	23,652	38,378	23,087
Income tax recoverable		698	403	235
Property, plant and equipment	10	30,834	31,359	4,014
Investment property	11	20,842	14,841	10,678
Intangible assets	12	39,461	46,370	20,441
Investment in associates	14	131,279	138,935	145,167
Deferred tax asset	16	1,815	1,041	83
Total assets		1,063,066	1,142,203	673,535
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities				
Repurchase agreements	17	78,333	67,243	68,318
Owed to related parties	18	-	662	1,548
Due to banks		3,687	520	520
Due to customers	19	568,685	661,493	286,293
Notes payable	20	228,352	210,768	134,845
Current income tax payable		1,028	346	792
Other liabilities	21	24,117	21,770	6,877
Defined benefit obligations	15(b)	3,282	2,917	-
Deferred income		4,844	9,319	3,910
Lease liabilities	22	1,395	1,679	2,013
Preference shares	23	1	1	1
Total liabilities		913,724	976,718	505,117
Stockholders' equity				
Share capital	24	125,961	115,754	115,754
Fair value reserve	25	(28,399)	(21,971)	6,867
Foreign exchange translation reserve	26	4,559	5,729	2,783
Retained earnings		29,513	41,549	35,270
Equity attributable to owners of the Company		131,634	141,061	160,674
Non-controlling interest	27	17,708	24,424	7,744
Total stockholders' equity		149,342	165,485	168,418
Total liabilities and stockholders' equity		1,063,066	1,142,203	673,535

The financial statements on pages 69 to 161 were approved for issue by the Board of Directors on July 31, 2023 and signed on its behalf by:

Rhory McNamara, Director

Jeffrey Gellineau, Director

*Restated, see note 39.

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

PROVEN GROUP LIMITED
formerly PROVEN INVESTMENTS LIMITED

Consolidated Statement of Profit or Loss

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	Restated* 2022 $'000
Net interest income, calculated using the effective interest method			
Interest income	28	33,407	12,639
Interest expense	28	(16,037)	(7,558)
		17,370	5,081
Gross profit on manufacturing operations			
Gross revenue		74,802	53,694
Cost of sales		(64,834)	(45,160)
		9,968	8,534
Gross profit on property sales			
Property sales		31,680	-
Property expenses		(29,655)	(34)
		2,025	(34)
Fees and commissions		11,821	9,296
Net fair value adjustments and realised gains	29	783	2,249
Dividends		116	204
Net foreign exchange gains		364	830
Pension management income		3,524	3,338
		16,608	15,917
Operating revenue, net		45,971	29,498
Other income		3,671	4,688
Loss on disposal of associate	14	-	(23)
Bargain purchase gain on acquisition of subsidiary	13(a)	-	4,563
		49,642	38,726
Operating expenses			
Staff costs	30	20,840	11,955
Depreciation and amortisation	10,12	6,768	3,108
Impairment (reversal)/loss on loans and other assets		(90)	20
Impairment (reversal)/loss on investments		(61)	1,196
Other operating expenses	31	34,932	19,030
Total		62,389	35,309
Operating (loss)/profit		(12,747)	3,417
Preference share dividend	33(f)	-	(2,556)
Share of profit of associates	14	8,481	15,214
(Loss)/profit before income tax		(4,266)	16,075
Income tax charge	32	(1,095)	(1,165)
(Loss)/profit for the year		(5,361)	14,910
(Loss)/profit attributable to:			
Owners of the company		(4,864)	11,967
Non-controlling interest	27	(497)	2,943
(Loss)/profit for the year		(5,361)	14,910
Earnings and diluted earnings per stock unit	34	(0.62)¢	1.58¢

*Restated, see note 39.

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	Restated* 2022 $'000
(Loss)/profit for the year		(5,361)	14,910
Other comprehensive loss			
Items that are or may be reclassified to profit or loss:			
Realised gains/(losses) on debt securities at FVOCI		1,554	(119)
Unrealised losses on debt securities at FVOCI		(369)	(11,092)
Deferred tax on fair value adjustment on securities at FVOCI		374	983
Deferred tax on employee benefit assets and obligations		-	(29)
Exchange differences on translation of foreign operations		(444)	1,245
Share of other comprehensive loss in associates		(8,367)	(18,962)
		(7,252)	(27,974)
Items that will not be reclassified to profit or loss:			
Share of other comprehensive (loss)/profit in associates		(147)	45
Remeasurement of employee benefit assets and obligations		(196)	953
		(343)	998
Total other comprehensive loss		(7,595)	(26,976)
Total comprehensive loss for the year		(12,956)	(12,066)
Other comprehensive loss attributable to:			
Owners of the company		(7,697)	(25,425)
Non- controlling interest	27	102	(1,551)
		(7,595)	(26,976)
Total comprehensive loss attributable to:			
Owners of the company		(12,561)	(13,458)
Non-controlling interest		(395)	1,392
Total comprehensive loss for the year		(12,956)	(12,066)

*Restated, see note 39.

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

PROVEN GROUP LIMITED
formerly PROVEN INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Share capital $'000 (Note 24)	Fair value reserve $'000 (Note 25)	Foreign exchange translation reserve $'000 (Note 26)	Retained earnings $'000	Attributable to equity holders of the Company $'000	Non-controlling interest $'000 (Note 27)	Total $'000
Balances at April 1, 2021	**115,754**	**6,867**	**2,783**	**36,277**	**161,681**	**7,744**	**169,425**
Prior year adjustment	-	-	-	(1,007)	(1,007)	-	(1,007)
As restated (Note 39)	**115,754**	**6,867**	**2,783**	**35,270**	**160,674**	**7,744**	**168,418**
Total comprehensive income for 2022							
Profit for the year	-	-	-	12,537	12,537	2,943	15,480
Prior year adjustment	-	-	-	(570)	(570)	-	(570)
As restated (Note 39)	-	-	-	11,967	11,967	2,943	14,910
Other comprehensive loss for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	1,245	-	1,245	-	1,245
Realised gain on debt securities at FVOCI	-	(119)	-	-	(119)	-	(119)
Unrealised loss on debt securities at FVOCI	-	(9,084)	-	-	(9,084)	(2,008)	(11,092)
Deferred tax credit on fair value adjustments	-	983	-	-	983	-	983
Remeasurement of employee benefit assets	-	-	-	481	481	472	953
Deferred tax on employee benefit assets	-	-	-	(14)	(14)	(15)	(29)
Share of associates' other comprehensive loss	-	(20,618)	1,701	-	(18,917)	-	(18,917)
Other comprehensive income/ (loss) for year, net of tax	-	(28,838)	2,946	467	(25,425)	(1,551)	(26,976)
Total comprehensive loss for the year	-	(28,838)	2,946	12,434	(13,458)	1,392	(12,066)
Transactions with owners recorded directly in equity							
Dividends to equity holders (Note 35)	-	-	-	(6,155)	(6,155)	(1,119)	(7,274)
Non-controlling interest arising on Business combination	-	-	-	-	-	16,407	16,407
Balances at March 31, 2022, as restated (Note 39)	**115,754**	**(21,971)**	**5,729**	**41,549**	**141,061**	**24,424**	**165,485**
Total comprehensive income for 2023							
Loss for the year	-	-	-	(4,864)	(4,864)	(497)	(5,361)
Other comprehensive income for the year							
Foreign exchange differences on translation of foreign subsidiary's financial statements	-	-	(444)	-	(444)	-	(444)
Realised loss on debt securities at FVOCI	-	1,355	-	-	1,355	199	1,554
Unrealised loss on debt securities at FVOCI	-	(369)	-	-	(369)	-	(369)
Deferred tax credit on fair value adjustments	-	374	-	-	374	-	374
Remeasurement of defined employee benefits	-	-	-	(99)	(99)	(97)	(196)
Share of associates' other comprehensive loss	-	(7,788)	(726)	-	(8,514)	-	(8,514)
Other comprehensive loss for year, net of tax	-	(6,428)	(1,170)	(99)	(7,697)	102	(7,595)
Total comprehensive loss for the year	-	(6,428)	(1,170)	(4,963)	(12,561)	(395)	(12,956)
Transactions with owners recorded directly in equity							
Issue of new shares [Note 24(a)]	10,207	-	-	-	10,207	-	10,207
Dividends to equity holders (Note 35)	-	-	-	(2,440)	(2,440)	-	(2,440)
Acquisition of non-controlling interest	-	-	-	(4,633)	(4,633)	(6,321)	(10,954)
Balances at March 31, 2023	**125,961**	**(28,399)**	**4,559**	**29,513**	**131,634**	**17,708**	**149,342**

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

Consolidated Statement of Cash Flows

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	Restated* 2022 $'000
Cash flows from operating activities			
(Loss)/profit for the year		(5,361)	14,910
Adjustments for:			
Depreciation	10	3,110	1,549
Amortisation	12	3,682	1,823
Interest income	28	(33,407)	(12,639)
Interest expense	28	16,037	7,558
Dividend income		(116)	(204)
Impairment loss/(reversal) in loans and other assets		(90)	20
Impairment loss/(reversal) on investments		(61)	1,196
Impairment of associate	14	6,609	830
Impairment of intangible assets	12	3,513	353
Write off of intangible asset	12	456	-
Share of profit of associates	14	(8,481)	(15,214)
Fair value adjustment on investment property	29	(1,193)	(624)
Gain on disposal of property, plant and equipment		(20)	-
Unrealised fair value on investments	29	284	648
Loss on disposal of associate	14(i)	-	23
Bargain purchase	13(a)	-	(4,563)
Unrealised foreign exchange gain		(364)	(830)
Income tax charge	32	1,095	1,165
Defined benefit obligation		307	890
		(14,000)	(3,109)
Change in operating assets and liabilities			
Investment securities		(41,175)	13,712
Loans receivable		(36,618)	(10,110)
Other assets		(5,181)	931
Other liabilities		1,608	(985)
Due to customers		(92,808)	58,922
Due to other banks		3,167	-
Inventories		(2,152)	(2,703)
Repurchase agreements		11,090	(1,075)
Resale agreements		4,604	(1,779)
Owed to related party		(662)	(886)
Owed by related party		(544)	(275)
Retirement benefits paid		(138)	(651)
Deferred income		(4,475)	5,409
Development in progress		14,726	(14,513)
		(162,558)	42,888
Interest received		32,970	12,285
Dividend received		116	204
Interest paid		(15,249)	(7,418)
Income tax paid		(1,100)	(1,646)
Net cash (used in)/provided by operating activities		(145,821)	46,313
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		41	-
Proceeds from disposal of associate		-	480
Purchase of investment property		(4,792)	(4,315)
Purchase of property, plant and equipment	10	(2,468)	(2,289)
Acquisition of subsidiaries, net of cash received13		-	25,679
Dividend received from equity accounted investees		1,014	2,083
Purchase of intangible asset	12	(677)	(915)
Net cash (used in)/provided by investing activities		(6,882)	20,723
Net cash flows (used in)/provided by operating and investing activities (carried forward to page 74)		(152,703)	67,036

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

Consolidated Statement of Cash Flows (continued)

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	Restated* 2022 $'000
Net cash flows (used in)/provided by operating and investing activities (brought forward from page 73)		(152,703)	67,036
Cash flows from financing activities			
Proceeds from notes payable		38,246	110,739
Repayment of notes payable		(21,649)	(34,596)
Payment of lease liabilities	22	(314)	(204)
Dividends paid	35	(2,440)	(7,274)
Net cash provided by financing activities		13,843	68,665
Net (decrease)/increase in cash and cash equivalents		(138,860)	135,701
Cash and cash equivalents at beginning of year		286,147	151,859
Effect of exchange rate fluctuations on cash and cash equivalents		(2,489)	(1,413)
Cash and cash equivalents at end of year		144,798	286,147

*Restated, see note 39.

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

Year ended March 31, 2023 (Presented in United States dollars, except as otherwise stated)

1. Identification

During the year, the Board of Directors of PROVEN Investments Limited ('the Company') passed a resolution to effect a change of the name of the Company from 'PROVEN Investments Limited' to 'PROVEN Group Limited'.

PROVEN Group 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 is controlled by MPS Holdings Limited by virtue of the rights associated with the manager's preference shares (see note 23). 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. Proven Management Limited (PML), a Jamaican limited liability company, is responsible for managing the operations of the Company including identifying analysing and negotiating potential investments and monetising the performance of these investments. Management fees are paid to PML at a rate of 2% of the average Consolidated Net Asset Value of the Company, together with general consumption tax, if applicable, for services provided [see note 33 (c)].

The Company has the following subsidiaries and associated companies:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2023	2022
Proven Bank Holding Limited	Cayman	Holding company	100	-
Proven Bank (Cayman) Limited (formerly Fidelity Bank Cayman Limited)	Cayman Islands	Retail Banking Services	100	100
Proven Properties (Cayman) Limited (formerly Real Properties Limited)	Cayman Islands	Real estate investment	100	100
WBR Properties Limited	Cayman Islands	Real estate investment	50.5	50.5
Proven Bank (St. Lucia) Limited (formerly Boslil Bank Limited)	Saint Lucia	Private Banking	100	75
Proven International Holdings Limited (formerly Boslil International Holdings Limited)	Saint Lucia	Holding company	100	75
Proven Bond Fund Limited (formerly Boslil Bond Fund Limited)	Saint Lucia	Structured finance services investment management	100	100
Proven Equity Fund Limited (formerly Boslil Fund Limited)	Saint Lucia	Private mutual fund	100	100
Proven Secretarial Services (formerly Boslil Secretarial Services)	Saint Lucia	Private secretarial services	100	100
Proven Corporate Services Limited (formerly Boslil Corporate Services Limited)	Saint Lucia	Registered agent services	100	100
Proven Finance Limited (formerly Boslil Finance Limited)	Saint Lucia	Structured finance services investment management	100	100
Proven Sudamenco S.A. (formerly Boslil Sudamenco S.A)	Uruguay	Market research translation and business development services	100	100
Proven Investments Holding Limited	St. Lucia	Holding company	100	-
Heritage Education Funds International Inc.	Canada	Scholarship Trust plans	100	100

Year ended March 31, 2023 (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 2023	2022
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
Proven Wealth (Cayman Limited) (formerly International Financial Planning (Cayman Limited):	Cayman Islands	Investment advisory services	100	100
Proven Wealth Cayman Ltd (formerly IFP Cayman Ltd)	Cayman	Investment advisory services	100	100
Proven Wealth BVI Limited (formerly IFP BVI Limited)	BVI	Investment advisory services	100	100
Proven Wealth Bermuda Limited (formerly IFP Bermuda Limited)	Bermuda	Investment advisory services	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
Proven | Properties Limited:	Saint Lucia	Real estate investment	100	100
Real 53 NPW 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
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 Properties Cayman Limited	Cayman	Real estate investment	100	-
Real Logistics Limited	Jamaica	Real eatate investment	100	-
GIAU B8	Jamaica	Real estate investmen	100	-
GIAU B10	Jamaica	Real estate investmentt	100	-
Proven Properties Jamaica Limited (formerly Proven Reit Limited)	Jamaica	Management services	100	100
Proven Holdings Limited	Saint Lucia	Holding company	100	100
Roberts Manufacturing Company Limited	Barbados	Production and distribution of animal feed	50.5	50.5
Pinnacle Feeds Limited	Barbados	Production and distribution of animal feed	60	60
Associate companies				
JMMB Group Limited	Jamaica	Investment management and banking services	20	20
Access Financial Services Limited	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.

New and amended standards 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 new pronouncements resulted in any significant change to the amounts recognised or disclosed in the financial statements.

New and amended standards that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards have been issued which were not effective for the current year and which the Group has not early-adopted.

(i) Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The Group does not expect the amendment to have a significant impact on its 2024 financial statements.

(ii) Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

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

(a) Statement of compliance (continued):

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

(ii) (Continued)

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, the standard requires that a right to defer settlement must have substance and exist at the reporting date.

It has now been clarified that a right to defer exists only if the entity complies with conditions specified in a loan agreement at the reporting date, even if the lender does not test compliance until a later date. With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a reporting entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Group does not expect the amendment to have a significant impact on its 2024 financial statements.

(iii) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The Group does not expect the amendment to have a significant impact on its 2024 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(j) and 37(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 38).

(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 12 and 14).

(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 38) requires judgement as to whether a market is active [see note 3(b)].

2. Basis of preparation (continued)

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

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

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

- 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 2 (c)(i) (4), 3(a), 12, 13 and 14].

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 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.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(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.

(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 entities 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 37(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.

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

3. Significant accounting policies (continued)

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

(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.

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

Equity instruments (continued)

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. During the period, reclassification of investment securities from FVOCI to amortized cost was in effect as at September 30,2022.

(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 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. However, any difference between the carrying value and the amount realised on sale is recognised in profit or loss.

(c) Financial instruments - Other

(i) Non-trading derivatives

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

The Group's commitments under acceptances, guarantees and letters of credit as at March 31, 2023, total $11,167,000 (2022: $8,393,000). 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.

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(vi) Resale and repurchase agreements (continued)

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

(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) Trade receivables

Trade receivables are amounts due from customers for the sale of goods in the ordinary course of business. Trade receivables without a significant financing component are recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less expected credit losses as disclosed in note 3 (j). If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

(x) Accounts payable

Accounts payable are measured at amortised cost.

3. Significant accounting policies (continued)

(c) Financial instruments – Other (continued)

(xi) 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.

(xii) 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.

(xiii) 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.

(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.

Year ended March 31, 2023 (Presented in United States dollars, except as otherwise stated)

3. Significant accounting policies (continued)

(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.

(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:

Buildings	2% - 10%
Computers	25% - 33⅓%
Furniture, fixtures and equipment	6.67% - 25%
Leasehold improvements	10% - 20%
Motor vehicles	10% - 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 12) 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.

3. Significant accounting policies (continued)

(g) Intangible assets (continued)

(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.

(v) Amortisation

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

The 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.

3. Significant accounting policies (continued)

(h) Foreign currency translation (continued)

(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.

(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 not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporaruy differences and it is probable that they will notreverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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.

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

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.

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

- 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).

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 37(b) for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

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.

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

Credit-impaired financial assets (continued)

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.

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. See note 37(b) for an explanation of how the Group has incorporated this in its ECL models.

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.

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

Measurement of ECL (continued)

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.

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);

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

- 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.

Trade receivables

The Group applies the simplified approach for trade receivables as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group applies specific provisions for higher risk accounts using a risk-based methodology based on certain factors, including customer profile and the nature of products sold or services rendered. All other non-specific accounts were grouped together and aged using a ‘provisions matrix’. Scaled loss rates were then calculated based in historical payment profiles and applied to the different aging buckets as at the balance sheet date. The loss rates were adjusted to incorporate forward-looking information.

3. Significant accounting policies (continued)

(j) Impairment of financial assets (continued)

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, other than goodwill and intangible assets with indefinite useful lives [see note 3(g)], 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) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Cost of finished products includes materials, labour, direct expenses and a relevant proportion of all overhead expenses based on the level of activity attained during the year. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolete, slow-moving and defective stock.

(m) Leases

(a) As a lessee

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.

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.

3. Significant accounting policies (continued)

(m) Leases (continued)

(a) As a lessee (continued)

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.

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 the lease liabilities as such in the statement of financial position.

3. Significant accounting policies (continued)

(m) Leases (continued)

(a) As a lessee (continued)

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 the 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, property sales, sale of animal feed, oils and butter.

(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).

(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) Revenue from the sale of goods

Customers obtain control of products when the goods are delivered and have been accepted at their premises, or in certain cases when the goods have been collected from the Group’s premises. Invoices are generated at that point and are payable within a range of terms that vary from immediately to 60 days.

3. Significant accounting policies (continued)

(n) Revenue recognition (continued)

(iii) Revenue from the sale of goods (continued)

Some products are sold with volume discounts based on aggregate sales over a one-month period. Revenue from these sales are recognised based on the price specified, net of volume discounts.

Revenue is recognised at the point in time that the goods are delivered and have been accepted by the customers. For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

(iv) Property sales

Revenue is recognised from the sale of housing units income when the customer obtains control of the housing unit.

(v) Dividends

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

(vi) 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) Operating profit

Operating profit is defined as the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes preference share dividend, share of profit of associates and income taxes.

(q) 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.

3. Significant accounting policies (continued)

(q) Employee benefits (continued)

(i) General benefits

Short-term employee benefits, including pension benefits under a defined contribution plan, are recognised over the period of service and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave.

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) Defined benefit plans

The asset or liability recognised in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Current and past-service costs are recognised in profit or loss as the benefits accrue.

(iii) Share-based payments

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

(r) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on a FIFO basis and includes transport and handling costs. Cost of finished products includes materials, labour, direct expenses and a relevant proportion of all overhead expenses based on the level of activity attained during the year. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolete, slow-moving and defective stock.

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 $4,960,000 (2022: $9,960,000). Certain securities have been pledged to third parties in repurchase agreements (note 17).

5. Investment securities

	2023 $'000	2022 $'000
Financial assets at fair value through profit or loss		
Quoted equities	1,401	5,669
Global bonds	4,167	-
Unit Trust	5,819	6,103
Foreign sovereign debt	-	9,787
Private equity funds	453	443
Principal Protected Note warrant asset [see (a) below]	1,458	2,352
	13,298	24,354
Financial assets at fair value through other comprehensive income		
Global bonds	82,598	159,631
Government of Jamaica securities	40,050	27,094
Corporate bonds	13,969	8,579
Certificate of deposits	1,163	2,326
Foreign sovereign debt	10,328	7,902
	148,108	205,532
Amortised cost		
Global bonds	175,609	56,528
Corporate bonds	42,274	49,405
	217,883	105,933
Less allowance for expected credit losses	(609)	(627)
	217,274	105,306
Total investment securities	378,680	335,192

(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 20(ii)] issued by the Group.

(b) As at March 31, 2023, $248,023,225 (2022: $214,228,000) 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 17) was $64,750,000 (2022: $51,069,000). 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.

5. Investment securities (continued)

(d) During the period the Group reclassified financial assets from FVOCI to amortized cost. The reclassification was effective September 30, 2022. With the purchase of Proven Bank (Cayman) Limited by Proven Group Limited (Ultimate Parent) in February 2022, the alignment of the Banking Division within Proven Group Limited saw PBSL becoming a subsidiary of Proven Bank (Cayman) Limited. As a result of this external change, management assessed the change as significant to PBSL's operations and reviewed the business model test in relation to its aggregate securities portfolio. The result was the reclassification of a tranche of securities previously classified as FVOCI to amortized cost. The effect on the financial statements was an increase in assets carried at amortized cost and a reduction in assets carried at FVOCI. The result is that there was a decrease in the unrealized loss on debt investments at FVOCI for the period and an increase in equity. The amount reclassified was $78.320 million from FVOCI securities to $87.816 million in amortized cost securities. The equity impact was $9.496 million. The additional fair value loss that would have been recognised in other comprehensive income during the reporting period if the financial assets had not been reclassified is $1,771,050.

6. Loans receivable

	2023 $'000	2022 $'000
Loans and advances to customers [see (a) below]	42,570	30,268
Mortgages	145,621	128,720
Margin loans [see (a) below]	337	337
Corporate notes	12,657	19,948
Other loans	49,275	36,739
	250,460	216,012
Unamortized loan origination fees	(1,406)	(1,094)
Accrued interest	1,594	965
Less: Allowance for expected credit losses [see (b)]	(7,311)	(8,507)
	243,337	207,376

(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. The fair value of collateral pledged by clients was $21,349,000 (2022: $21,537,000). 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 $2,223,000 (2022: $2,065,000).

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

	2023				
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Loans and advances to customers	312	11,440	27,249	39,296	78,297
Corporate notes	3,831	13,081	4,175	124,666	145,753
Mortgages	56	-	27	6,580	6,663
Other loans	57	6,886	5,681	-	12,624
	4,256	31,407	37,132	170,542	243,337

6. Loans receivable (continued)

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

	2022				
	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Loans and advances to customers	443	11,209	11,785	-	23,437
Corporate notes	6,517	1,552	686	902	9,657
Mortgages	94,175	2,652	8,596	15,144	120,567
Other loans	9,129	3,652	19,979	20,955	53,715
	110,264	19,065	41,046	37,001	207,376

The movement on the expected credit losses is as follows:

	2023 $'000	2022 $'000
Balance at beginning of year	8,507	326
Acquired through business combination	-	7,770
Impairment allowance (credit)/ charge	(1,196)	412
Effect of exchange rate movements	-	(1)
Balance at end of year	7,311	8,507

7. Trade and other assets

	2023 $'000	2022 $'000
Trade receivables	7,935	12,485
Withholding tax recoverable	2,808	2,736
Interest receivable	1,958	1,521
Due from clients	1,714	1,592
Prepayments	2,484	2,297
Membership fee receivable	2,154	1,718
Due from affiliated companies	1,172	860
Pre-construction advances	2,880	3,106
Employee related receivables (see note below)	2,642	2,714
Other assets	9,914	5,104
	35,661	34,133
Less allowance for expected credit losses	(2,567)	(8,456)
	33,094	25,677

As of March 31, 2023, employee related receivables includes $2,642,000 (2022: $2,714,000) which is due from Massy Barbados Limited relating to the agreed transfer value for those employees who were previously members of the defined benefit pension plan which was administered by Massy Barbados Limited.

7. Trade and other assets (continued)

	2023 $'000	2022 $'000
Due from affiliated companies comprise the following:		
A.S Bryden & Sons (Antigua) Limited	257	459
Alston Marketing Company Limited	138	180
Ansa McAL Trading Ltd- Guyana	113	29
Brydens & Minors Limited	-	41
Brydens Stokes Limited	664	151
	1,172	860

The movement in expected credit losses is as follows:

	2023 $'000	2022 $'000
Balance at beginning of year	8,456	230
Acquired through business combination	-	7,826
Expected credit losses charged/ (reversed)	(5,893)	422
Effect of exchange rate movements	4	(22)
Balance at end of year	2,567	8,456

8. Inventories

	2023 $'000	2022 $'000
Raw materials	6,062	4,181
Finished products	3,785	1,869
	9,847	6,050
Goods in transit	277	1,922
	10,124	7,972

In 2023, inventories of $54,889,000 (2022: $21,920,000) were recognised as an expense and included in 'cost of sales'.

9. Property development in progress

This comprises land and associated costs on projects to develop residential and commercial property.

Of this amount, $Nil (2022: $778,000) was transferred from investment property during the year (note 11).

10. Property, plant and equipment

	Right-of-use on leasehold properties $'000	Land and building $'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, 2021	2,515	-	1,418	1,280	232	1,208	153	5	6,811
Acquired through business combination	-	23,304	470	2,005	546	377	-	-	26,702
Additions	48	755	8	1,114	232	82	50	-	2,289
Transfers	-	-	14	-	171	-	(185)	-	-
Disposals	-	-	-	-	-	(50)	-	-	(50)
Translation	-	-	(12)	(13)	-	(46)	-	-	(71)
March 31, 2022	2,563	24,059	1,898	4,386	1,181	1,571	18	5	35,681
Additions	73	824	176	540	180	410	265	-	2,468
Disposals	-	-	-	(163)	(149)	(21)	-	-	(333)
Translation	26	-	4	5	-	19	-	-	54
Adjustment	(79)	209	(25)	20,538	1,049	661	(18)	(1)	22,334
March 31, 2023	2,583	25,092	2,053	25,306	2,261	2,640	265	4	60,204
Depreciation:									
March 31, 2021	617	-	243	824	111	1,002	-	-	2,797
Charge for the year	378	174	161	408	339	89	-	-	1,549
Eliminated on disposals	-	-	-	-	-	(50)	-	-	(50)
Translation adjustment	49	39	(2)	(6)	-	(54)	-	-	26
March 31, 2022	1,044	213	402	1,226	450	987	-	-	4,322
Charge for the year	373	980	257	945	99	456	-	-	3,110
Eliminated on disposal	-	-	-	(163)	(149)	-	-	-	(312)
Translation	15	-	1	3	-	15	-	-	34
Adjustment	(68)	1,141	(39)	19,521	1,220	441	-	-	22,216
March 31, 2023	1,364	2,334	621	21,532	1,620	1,899	-	-	29,370
Net book values:									
March 31, 2023	1,219	22,758	1,432	3,774	641	741	265	4	30,834
March 31, 2022	1,519	23,846	1,496	3,160	731	584	18	5	31,359

Depreciation charge for certain plant and equipment are included in 'cost of sales' $306,000 (2022:$264,000).

11. Investment property

	2023 $'000	2022 $'000
At beginning of year	14,841	10,678
Investment property acquired	4,792	4,315
Fair value adjustment (note 29)	1,193	624
Transfer to property development in progress (note 9)	-	(778)
Foreign exchange translation adjustment	16	2
	20,842	14,841

11. Investment property (continued)

The last external valuation of the Group's properties were done in March 2023 by independent valuators, DC Tavares Finson Realty Company Limited. At each reporting date management considers the fair value and assesses the reasonable approximation of the external valuations at the reporting date. 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.

12. Intangible assets

	Customer relationships	Members agreements	Non-compete agreements	Trademark & tradename	Goodwill	Brand	Deposits	Assembled workforce	Distribution networks	License	Computer software	Work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost:													
March 31, 2022	17,373	1,669	3,200	1,456	14,347	3,340	4,923	1,138	1,400	368	5,219	83	54,516
Additions	-	-	-	-	-	-	-	-	-	-	472	205	677
Adjustment	-	-	-	-	-	-	-	-	248	-	170	-	418
FX translation	-	-	-	-	-	-	-	-	-	3	88	5	96
March 31, 2023	17,373	1,669	3,200	1,456	14,347	3,340	4,923	1,138	1,648	371	5,949	293	55,707
Amortisation:													
March 31, 2022	5,065	1,544	-	-	-	-	-	-	-	-	1,537	-	8,146
Amortisation for the year	1,298	14	379	-	-	-	703	163	184	-	941	-	3,682
Impairment	1,756	-	-	300	1,457	-	-	-	-	-	-	-	3,513
Write off	-	-	-	456	-	-	-	-	-	-	-	-	456
Adjustment	-	-	-	-	-	-	-	-	77	-	344	-	421
FX translation	-	-	-	-	-	-	-	-	-	-	28	-	28
March 31, 2023	8,119	1,558	379	756	1,457	-	703	163	261	-	2,850	-	16,246
Net book values:													
March 31, 2023	9,254	111	2,821	700	12,890	3,340	4,220	975	1,387	371	3,099	293	39,461
March 31, 2022	12,308	125	3,200	1,456	14,347	3,340	4,923	1,138	1,400	368	3,682	83	46,370

12. Intangible assets (continued)

In testing goodwill for impairment, recoverable amounts of cash-generating units (CGU) 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.

For the purpose of impairment testing, goodwill has been allocated to the Group's cash generating units (operational divisions) as follows:

	2023 $'000	2022 $'000
Wealth management	9,633	9,633
Production and distribution	4,714	4,714
	14,347	14,347

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.

	2023	2022
Wealth Management (CGUs)		
Discount rate	18.6%	16.7%
Terminal value	2.3%	2.5%
Attrition rate	7.3%	6.1%

The carrying amount of goodwill was determined to be higher than its recoverable amount. The Group recognised an impairment of $1,457,000 during the year (2022: $Nil). The impairment loss was recognised in the profit or loss statement included in "other operating expenses.

	2023	2022
Production and distribution (CGUs)		
Discount rate	12.6%	- %
Terminal value	1.93%	- %

In determining the value of the customer contracts and related relationships, an income approach method, specifically the Multi-Period Excess Earnings Method ("MEEM") was used. The principle behind the MEEM is that the value of an intangible asset is equal to the present value of the after-tax cash flows attributable only to that intangible asset.

12. Intangible assets (continued)

Production and distribution (CGUs) (continued)

The carrying amount of Proven Wealth (Cayman Limited) customer relationships was determined to be higher than its recoverable amount. The Group recognised an impairment of $1,756,000 during the year (2022: $353,000). The carrying amount of Heritage Education Funds International Inc tradename was determined to be higher than its recoverable amount. The Group recognised an impairment of $300,000 during the year (2022: Nil). The impairment losses were recognised in the profit or loss statement included in “other operating expenses. Key assumptions are set out below:

13. Investment in subsidiaries

(a) Acquisition of Fidelity Bank (Cayman) Limited

Effective February 1, 2022, the Company acquired 3,800,000 common shares, representing a 100% interest in Fidelity Bank (Cayman) Limited (FBCL) from Fidelity Bank & Trust International Limited for a consideration of $32,116,949. FBCL is incorporated in the Cayman Islands with registered office located at Willow House, Cricket Square, 171 Elgin Avenue, George Town. FBCL is licensed under the Bank and Trust Companies Act, as a Category A Bank to carry on banking business in the Cayman Islands, subject to certain restrictions contained in the terms of the licence. FBCL and its subsidiaries offers a full range of retail banking services, including internet and telephone banking, acceptance of deposits, granting of loans and the provision of foreign exchange services through each of its two (2) branches in Grand Cayman.

The Group’s rationale for acquiring FBCL is that it supports the vision of being the premier Caribbean and Latin American Private Equity firm and fits into its core Banking and Wealth division business model. FBCL is expected to play a key role in extracting synergies across the financial services ecosystem as the Group will now have a complete suite of banking and wealth management products. The acquisition also provides the Group with an opportunity to grow its assets under management portfolio, leverage cost synergies with existing portfolio assets while expanding its footprint in the Cayman Islands and the wider Caribbean.

FBCL contributed revenue of $2,037,000 and attributable post-acquisition losses of $828,000 to the Group’s results in the period to March 31, 2022. If the acquisition had occurred on April 1, 2021, management estimates that consolidated revenue from FBCL would have been $12,420,000, and consolidated loss for the year would have been $1,811,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2021.

13. Investment in subsidiaries (continued)

(a) Acquisition of Fidelity Bank (Cayman) Limited (continued)

The consideration of $32,117,000 is less than the net assets of the business of $36,680,000 million thereby resulting in a gain of $4,563,000, recognised in the statement of profit and loss and other comprehensive income. This acquisition resulted in a gain as the seller had been winding down its operations in the Cayman Islands and was motivated to sell.

The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition.

i. Identifiable assets acquired and liabilities assumed:

	2022 $'000
Property, plant and equipment	18,128
Intangible asset	8,000
Inventory	5,270
Trade receivable	4,801
Other assets	2,459
Cash and cash equivalents	1,157
Investment securities	766
Accounts payable	(3,321)
Accrued expenses and other liabilities	(3,077)
Employee benefit obligation	(1,036)
Net assets acquired	33,147
Non-controlling interest	(16,408)
Goodwill acquired	4,714
Total consideration on acquisition	21,453

ii. Cash flow on acquisition

	2022 $'000
Cash acquired	86,287
Less cash consideration	(32,117)
Net cash inflow on acquisition	54,170

iii. The fair values of material asset categories were established as follows:

- Intangible assets: The value of customer deposits was assessed using the cost savings method. Customer relationships are inherently tied to the customer base and so this asset was not separately valued. The value of the assembled workforce in place is value is determined by calculating the training cost avoided and salary costs avoided in the time it takes for new staff to become fully productive.
- The other assets comprise gross contractual amounts which were expected to be fully collectible at the date of acquisition.
- Loans receivable comprise gross contractual amounts due of $173,094,000, of which $7,770,000 was expected to be uncollectable at the date of acquisition.

13. Investment in subsidiaries (continued)

(a) Acquisition of Fidelity Bank (Cayman) Limited (continued)

iv. Acquisition-related costs

The Group incurred acquisition-related costs of $946,000 on legal fees and due diligence costs. These costs have been included in 'other operating expenses' in the statement of profit or loss and other comprehensive income for the year ended March 31, 2022.

(b) Acquisition of Roberts Manufacturing Company Limited

Effective June 8, 2021, the Company acquired 5,806,495 common shares, representing a 50.5% interest in Roberts Manufacturing Company Limited (RMCL) for a consideration of $21,452,500. RMCL, is incorporated in Barbados with registered office located at Lower Estate, St. Michael, Barbados. The principal activities of RMCL is the production and distribution of animal feed, dog food, margarine and shortening, soybean meal and soybean oil.

The Group's rationale for acquiring RMCL helps to achieve the objective of diversifying the private equity investment portfolio away from financial services while capturing the opportunity to leverage and grow the brand across the Caribbean. Also, food manufacturing is seen as vital in regional food security and there is the prospect of improving shareholder value through strategic guidance and support of this business.

RMCL contributed revenue of $53,694,000 and attributable post-acquisition profits of $3,876,000 to the Group's results in the period to March 31, 2022. If the acquisition had occurred on April 1, 2021, management estimates that consolidated revenue from RMCL would have been $63,833,000, and consolidated loss for the year would have been $3,999,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2021.

The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition.

i. Identifiable assets acquired and liabilities assumed:

	2022 $'000
Property, plant and equipment	18,128
Intangible asset	8,000
Inventory	5,270
Trade receivable	4,801
Other assets	2,459
Cash and cash equivalents	1,157
Investment securities	766
Accounts payable	(3,321)
Accrued expenses and other liabilities	(3,077)
Employee benefit obligation	(1,036)
Net assets acquired	33,147
Non-controlling interest	(16,408)
Goodwill acquired	4,714
Total consideration on acquisition	21,453

13. Investment in subsidiaries (continued)

(b) Acquisition of Roberts Manufacturing Company Limited (continued)

ii. Cash flow on acquisition

	2021 $'000
Cash acquired	1,157
Less cash consideration	(21,453)
Net cash outflow on acquisition	(20,296)

iii. The fair values of material asset categories were established as follows:

- Intangible assets: The value of customer deposits was assessed using the Income approach's Multi-Period Excess Earnings method (MPEEM). The value of the Brand was assessed using the Income approach's Relief -from Royalty method (RFR).
- Property, plant and equipment: The value of land was assessed through market comparison techniques by qualified independent valuation assessors. The value of buildings and certain equipment was assessed through cost techniques, specifically the depreciated replacement cost methodology to account for physical deterioration as well as functional and economic obsolescence.
- The other assets comprise gross contractual amounts which were expected to be fully collectible at the date of acquisition.
- Trade receivable comprise gross contractual amounts due of $11,809,000, of which $7,008,000 was expected to be uncollectable at the date of acquisition.
- The measurement of the employee benefits assets/obligations have been measured on a provisional basis as the pension arrangements in respect of current and former employees of RMCL have not been finalised as at March 31, 2022 [note 15 (a)].

iv. Acquisition-related costs

The Group incurred acquisition-related costs of $567,000 on legal fees and due diligence costs. These costs have been included in 'other operating expenses' in the statement of profit or loss and other comprehensive income for the year ended March 31, 2022.

13. Investment in subsidiaries (continued)

(c) Acquisition of Heritage Education Funds International Inc.

Effective October 1, 2021, the Company acquired 100 common shares, representing a 100% interest in Heritage Education Funds International Inc (HEFI) from Knowledge First Foundation for a consideration of $8,289,758. HEFI, is incorporated in Canada with registered office located at 50 Burnhamthorpe Road, Mississauga, Ontario. The principal activities of the company is the distributor of the Heritage International Scholarship Trust Plan- Fund D and assist the Heritage International Scholarship Trust Plan Foundation in administering the Plan. The Plan is currently distributed in the Bahamas, Bermuda, Jamaica and the British Virgin Islands.
The Group's rationale for acquiring HEFI includes the opportunity to expand the wealth management business in the Caribbean. The Group is also able to cross sell complementary financial products with operations in similar jurisdictions.

HEFI contributed revenue of $1,381,000 and attributable post-acquisition profits of $173,000 to the Group's results in the period to March 31, 2022. If the acquisition had occurred on April 1, 2021, management estimates that consolidated revenue from HEFI would have been $2,064,000, and consolidated profit for the year would have been $993,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 1, 2021.

The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition.

i. Identifiable assets acquired and liabilities assumed:

	2022 $'000
Intangible assets	5,600
Membership fees receivable	914
Receivable from affiliated companies	692
Investments	431
Cash and cash equivalents	92
Other assets	288
Note payable	(2,162)
Accrued expenses and other liabilities	(590)
Net assets acquired	5,265
Goodwill acquired	3,025
Total consideration on acquisition	8,290

ii. Cash flow on acquisition

	2022 $'000
Cash acquired	95
Less cash consideration	(8,290)
Net cash outflow on acquisition	(8,195)

13. Investment in subsidiaries (continued)

(c) Acquisition of Heritage Education Funds International Inc (continued)

iii. The fair values of material asset categories were established as follows:

- Intangible assets: The value of member agreement was assessed using the Income approach's Multi-Period Excess Earnings method (MPEEM). The value of the distribution network was assessed using the Income approach's . The value of trademarks was assessed using the Relied from Royalty method (RFR) of the income approach.
- The other assets comprise gross contractual amounts which were expected to be fully collectible at the date of acquisition.
- Membership fee receivable comprise gross contractual amounts due of $1,059,000, of which $145,000 was expected to be uncollectable at the date of acquisition.

iv. Acquisition-related costs

The Group incurred acquisition-related costs of $128,000 on legal fees and due diligence costs. These costs have been included in 'other operating expenses' in the statement of profit or loss and other comprehensive income for the year ended March 31, 2022.

(d) Proven Holdings Limited

During the financial year, capital injection of $2,708,000 (2022: $2,092,000) cash was made in Proven Holdings Limited.

(e) Proven Properties Limited (formerly Real Properties Limited)

During the financial year, capital injection of $3,784,000 (2022: $3,569,000) cash was made in Proven Properties Limited.

(f) Proven Bank (Cayman) Limited (formerly Fidelity Bank (Cayman) Limited)

During the financial year, capital injection of $3,000,000 cash was made in Proven Bank (Cayman) Limited.

(g) Proven Bank (St. Lucia) Limited (formerly Boslil Bank limited)

Effective October 6, 2022, PGL acquired the remaining 25% shares in Proven Bank St. Lucia Limited from a minority shareholder for $10,900,000 by issuing additional PGL shares of 42,300,000 (see note 24).

14. Investment in associates

	2023 $'000	2022 $'000
Carrying amount of interest in associate:		
JMMB Group Limited	114,633	116,671
Plastic Containers Ltd	692	957
Access Financial Services Limited	15,954	22,884
	131,279	140,512

The Group's share of profit/(loss) comprises:

	2023 $'000	2022 $'000
JMMB Group Limited	8,092	14,455
Access Financial Services Limited	470	689
	8,562	15,144
Others	(81)	70
	8,481	15,214

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

This represents a 24.72% shareholding in Access Financial Services Limited, a personal loan and microfinance company. As at March 31, 2023, the fair value of the investment was $11,525,000 (2022: $8,872,000).

During the year, Access reported lower net cash flows and operating profits than budgeted and previous year's results. These conditions were considered in determining that there are indicators of impairment. In testing the investment of associate for impairment, the recoverable amount was compared to the carrying amounts of AFS. The recoverable amount was determined by assessing the value in use (VIU). The income approach, specifically the discounted cashflow method was used to estimate the VIU. The recoverable amount for Access was $15,954,000 (2022: $22,884,000).

The carrying amounts of AFS was determined to be higher than its recoverable amount and an impairment of $6,609,000 (2022: $830,000) was recognised. The impairment loss was recognised in the statement of profit or loss and is included in "other operating expenses". Key assumptions are set out below:

	2023	2022
Retail lending cash generating units (CGUs)		
Discount rate	23%	18%
Terminal multiple	11.1x	10.1x

(ii) Investment in JMMB Group Limited

This represents a 20% shareholding or 391,310,526 shares 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, 2023 the fair value of the investment was $78,736,000 (2022: $113,154,000).

14. Investment in associates (continued)

(iii) The following table summarises the financial information of JMMBGL and Access, as included in the Group's financial statements as at March 31, 2023, reflecting adjustments for differences in accounting policies.

	2023			2022		
	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	28,764	2,951	31,715	21,983	3,120	25,103
Tangible assets	4,393,960	39,900	4,433,860	3,980,788	33,877	4,014,665
Liabilities	(4,061,379)	(24,601)	(4,085,980)	(3,635,421)	(18,770)	(3,654,191)
Net assets attributable to equity holders (100%)	361,345	18,250	379,595	367,350	18,227	385,577
Non-controlling interests	(6,828)	-	(6,828)	(9,524)	-	(9,524)
Adjusted net assets	354,517	18,250	372,767	357,826	18,227	376,053
Group's share of net assets	70,903	4,511	75,414	71,565	4,506	76,071
Goodwill	35,964	8,822	44,786	35,964	16,276	52,240
Foreign exchange adjustment	7,766	2,621	10,387	9,142	2,102	11,244
Carrying amount of investment	114,633	15,954	130,587	116,671	22,884	139,555
Revenue	319,818	15,339	335,157	277,647	14,884	292,531
Profit from continuing operations	40,439	1,902	42,341	74,989	2,870	77,859
Adjustments	-	-	-	(2,750)	(78)	(2,828)
Other comprehensive income/(loss), net of tax	(42,411)	(114)	(42,525)	(95,019)	370	(94,649)
Total comprehensive income/(loss)	(1,972)	1,788	(184)	(22,780)	3,162	(19,618)
Share of total comprehensive income/(loss) since date of investment:						
Profit for the year	8,092	470	8,562	14,455	689	15,144
Other comprehensive income/(loss)	(8,486)	(28)	(8,514)	(19,014)	97	(18,917)
	(394)	442	48	(4,559)	786	(3,773)

15. Employee benefit obligations

(a) Pension fund liability

Roberts Manufacturing Company Limited (RMCL) was a participating contributor of Massy (Barbados) Limited (MBL) defined benefit pension plan scheme known as the BS&T Pension Scheme up to June 8, 2021. The assets of this plan are held in a separate fund administered by Trustees appointed by Trustees appointed by Massy (Barbados) Ltd. and it was funded by payments from the group taking into account the recommendation of independent qualified actuaries. The pension arrangements in respect of current and former employees of RMCL have not been finalised as at March 31, 2023. The agreed transfer value for those employees who were previously members of the MBL defined pension plan is included in trade and other assets (note 7). The disclosures have been made using the following assumptions:

- The liabilities in respect of deferred pensioners and pensioners who were employed by the RMCL will remain liabilities of the BS&T Pension Scheme.
- The transfer value that will be paid in respect of current employees of the RMCL will be calculated as the present value of their defined benefit obligation at the acquisition date. The assumptions used in calculating the transfer value were the same assumptions used in calculating the solvency position of the BS&T Pension Scheme at its last triennial valuation as at September 30, 2020.

Certain employees participate in a non-contributory defined benefit pension and post-employment medical scheme.

The amount recognised in the statement of financial position is as follows:

	2023 $'000	2022 $'000
Present value of funded obligations at end of year	(2,378)	(2,005)

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	2023 $'000	2022 $'000
Current service costs	56	632
Interest cost	156	115
Net amount included in staff costs	212	747
Remeasurements included in other comprehensive income, being experience loss	(263)	(475)

15. Employee benefit obligations (continued)

(a) Pension fund liability (continued)

Changes in the present value of the defined benefit obligations are as follows:

	2023 $'000	2022 $'000
Balance at beginning of period	2,005	-
Defined benefit obligations acquired through business combination	-	7,255
Interest cost	156	632
Current service cost	56	115
Benefits paid	(102)	(595)
Liabilities transferred out	-	(4,927)
Remeasurements:		
Actuarial gains on obligation	263	(475)
Defined benefit obligation at the end of period	2,378	2,005

Principal actuarial assumptions used for accounting purposes are as follows:

	2023 %	2022 %
Pension plan		
Discount rate	7.75	7.75
Expected return on plan assets	7.75	7.75
Future promotional salary increases	2.00	2.00
Future inflationary salary increases	3.75	3.75
Future pension increases	0.75	0.75
Proportion of employees opting for early retirement	15.00	5.00
Future increases in NIS ceiling for earnings	3.50	3.50
Post retirement mortality for pensioners at 65		
Male	UP 94	UP 94
Female	UP 94	UP 94

The weighted average duration of the defined benefit obligation is 12.35 years.

Roberts Manufacturing Company Limited contributes to the scheme at a rate recommended by the actuary based on a triennial valuation. The last triennial valuation was performed at September 30, 2020 and the contribution rate was determined at 14% of salaries.

15. Employee benefit obligations (continued)

(b) Medical fund liability

The amount recognised in the statement of financial position comprises:

	2023 $'000	2022 $'000
Medical fund liability	(904)	(912)

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	2023 $'000	2022 $'000
Current service cost	24	38
Interest cost	71	105
Amount included in staff costs	95	143

Experience gains of $67,425 (2022:$67,000) are recognized in other comprehensive income.

Changes in the present value of the post-retirement benefit obligation are:

	2023 $'000	2022 $'000
Balance at beginning of period/year	912	893
Interest cost	71	105
Current service cost	24	37
Benefits paid	(36)	(56)
Remeasurements:		
Actuarial gain on obligations	(67)	(67)
Balance at the end of the period	904	912

The principal actuarial assumptions used for accounting purposes were:

Discount rate at end of year	7.75%	7.75%
Future medical claims/premium inflation	4.50%	4.50%

16. Deferred tax asset

	2023			
	Balance at March 31, 2022 $'000	Recognised in profit or loss $'000 (note 32)	Recognised in other comprehensive income $'000	Balance at March 31, 2023 $'000
Property, plant and equipment	255	181	-	436
Loans receivable	-	5	-	5
Other receivables	(547)	(68)	-	(615)
Unrealised foreign exchange net	140	(83)	-	57
Investment property	15	(17)	-	(2)
Investment at FVOCI	1,086	-	453	1,539
Investment at FVPTL	(11)	1	-	(10)
Impairment loss on instruments at FVOCI	2	84	(79)	7
Other liabilities	19	169	-	188
Lease liabilities, net	25	-	-	25
Tax losses	24	-	-	24
Exchange difference on translation	(86)	8	13	(65)
Other	119	112	(5)	226
	1,041	392	382	1,815

	2022				
	Balance at March 31, 2021 $'000	Acquired through business combination $'000	Recognised in profit or loss $'000 (note 32)	Recognised in other comprehensive income $'000	Balance at March 31, 2022 $'000
Property, plant and equipment	14	103	138	-	255
Loans receivable	(27)	-	27	-	-
Other receivables	(369)	-	(178)	-	(547)
Unrealised foreign exchange net	219	-	(79)	-	140
Investment property	(18)	-	33	-	15
Investment at FVOCI	174	-	-	912	1,086
Investment at FVPTL	(11)	-	-	-	(11)
Impairment loss on instruments at FVOCI	2	-	(71)	71	2
Other liabilities	66	-	(47)	-	19
Lease liabilities, net	16	-	9	-	25
Tax losses	24	-	-	-	24
Exchange difference on translation	(82)	-	-	(4)	(86)
Other	75	18	35	(9)	119
	83	121	(133)	970	1,041

17. 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).

	2023 $'000	2022 $'000
Denominated in Jamaica Dollars	26,048	24,350
Denominated in United States Dollars	52,231	42,739
Denominated in Pound Sterling	46	154
Denominated in Canadian Dollars	8	-
	78,333	67,243

18. Owed to related parties

	2023 $'000	2022 $'000
Current accounts	-	276
Dividend payable	-	386
	-	662

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

19. Due to customers

	2023 $'000	2022 $'000
Time deposits	21,705	11,210
Term deposits	270,993	325,435
Interest bearing accounts	2,000	1,759
Non-interest bearing accounts	273,987	323,089
	568,685	661,493

20. Notes payable

	2023 $'000	2022 $'000
Structured notes [see (i) below]	159,811	150,844
Principal protected notes [see (ii) below]	15,845	-
Long-term loan [see (iii) below]	42,542	41,702
Other	10,154	18,222
	228,352	210,768

20. Notes payable (continued)

(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.

(ii) The Group issued and guaranteed US dollar denominated principal protected notes. The returns on these United States Dollar notes are based on the movement in the prices of certain underlying shares, the holder benefits from any upward movements in the share price, any downward movements are absorbed by the company. The notes also have a guaranteed interest rate of 1% per annum paid semi-annually in arrears up to and including the maturity date. The obligor is an independent third party. Accordingly, the company recognised a liability in relation to the principal on its statement of financial position. The notes are for a period of sixteen and eighteen months. The entity has entered into various call options to hedge the movements in the share prices [see note 5(a)]. The entity does not apply hedge accounting per IFRS 9.

(iii) 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.

21. Other liabilities

	2023 $'000	2022 $'000
Interest payable	2,066	1,327
Payable to clients	6,152	7,743
Accrued charges	4,897	938
Other	9,165	9,643
Due to affiliated companies	1,837	2,119
	24,117	21,770
Due to affiliated companies comprise the following:		
Ansa McAL (Barbados) Limited	2	88
ADM Barbados Mills Limited	1,734	2,031
Ansa McAL (Barbados)	78	-
HISTF	23	-
	1,837	2,119

22. 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. 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 10).

	Leasehold properties $'000
Balance at March 31, 2022	1,596
Additions	
Accumulated depreciation	(376)
Balance at March 31, 2023	1,220

(ii) Lease liabilities:

Undiscounted cashflows of lease liabilities

	2023 $'000	2022 $'000
Less than one year	402	350
One to five years	1,118	1,268
More than five years	114	276
	1,634	1,894
Less: Future interest	(239)	(215)
Carrying amount of lease liabilities	1,395	1,679

	2023 $'000	2022 $'000
Current	375	633
Non-current	1,020	1,046
	1,395	1,679

(iii) Amounts recognised in profit or loss

	2023 $'000	202 $'000
Leases under IFRS 16 interest on lease liabilities	49	126

22. Lease liabilities (continued)

(iv) Amounts recognised in statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases:		
Interest	115	127
Principal	314	204
	429	331

(v) 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.

23. Preference shares

	2023 $'000	2022 $'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 (note 24) include the following:

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

(ii) 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.

(iii) 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.

23. Preference shares (continued)

(iv) 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.

24. Share capital

	2023 Units	2022 Units
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

	2023 Units	2022 Units	2023 $'000	2022 $'000
Issued and fully paid:				
Ordinary shares	801,732,000	759,432,000	125,961	115,754
Manager's Preference Shares	10,000	10,000	1	1
			125,962	115,755
Less: Preference shares classified as liability (see note 23)			(1)	(1)
			125,961	115,754

(a) On October 6, 2022, the Board of Directors passed a resolution for the agreement of sale and transfer of shares for the purchase of the 25% non-controlling interest in Proven Bank (St. Lucia) Limited (formerly Boslil Bank Limited). The Company settled its obligation to pay the purchase price partly by the issue of 42,300,000 newly issued ordinary shares [see note 13 (g)].

(b) 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.

(c) 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.

(d) The rights and entitlements of the holders of the preference shares are set out in note 23.

25. 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.

26. Foreign exchange translation reserve

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

27. Non-controlling interest

During the year the Group acquired the non-controlling interest in Proven Bank (St. Lucia) Limited [see note 13 (g)].

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.

	2023		
	Roberts Manufacturing $'000	Intra-group adjustments $'000	Total $'000
PIL percentage	50.5%		
NCI percentage	49.5%		
Total assets	31,955		
Total liabilities	(15,346)		
Net assets	16,609		
Carrying amount of NCI	8,222	9,486	17,708
Revenue	74,802		
Profit for the year	(274)		
Profit allocated to NCI	(136)	(361)	(497)
OCI for the year	(196)	-	(196)
OCI allocated to NCI	(97)	-	(97)
Cash flows from operating activities	(3,942)		
Cash flows from investment activities	(1,233)		
Cash flows from financing activities	184		
Net decrease in cash and cash equivalents	(4,991)		

27. Non-controlling interest (continued)

	2022			
	Proven Bank St. Lucia Limited $'000	Roberts Manufacturing $'000	Intra-group adjustments $'000	Total $'000
NCI percentage	25%	49.5%		
Total assets	357,857	28,349		
Total liabilities	(338,236)	(10,518)		
Net assets	19,621	17,831		
Carrying amount of NCI	4,905	8,826	10,693	24,424
Revenue	8,565	53,694		
Profit for the year	2,184	3,665		
Profit allocated to NCI	546	1,814	583	2,943
OCI for the year	(8,032)	924	-	(7,108)
OCI allocated to NCI	(2,008)	457	-	(1,551)
Cash flows from operating activities	27,507	4,323		
Cash flows from investment activities	(189)	(1,385)		
Cash flows from financing activities	(2,315)	(1,150)		
Net decrease in cash and cash equivalents	25,003	1,788		

28. Net interest income

	2023 $'000	2022 $'000
Interest income, calculated using the effective interest method:		
GOJ benchmark investment notes	606	742
Regional and corporate bonds	360	3,343
Global bonds	4,569	2,698
Resale agreements	488	308
Corporate notes	502	792
Other loans receivable	19,541	3,252
Other	7,341	1,504
	33,407	12,639
Interest expense, calculated using the effective interest method:		
Repurchase agreements	3,577	1,278
Notes payable	5,817	4,534
Finance cost	48	53
Other	6,595	1,693
	16,037	7,558
Net interest income	17,370	5,081

29. Net fair value adjustments and realised gains

	2023 $'000	2022 $'000
Fair value adjustment for investment property (note 11)	1,193	624
Fair value gains on fixed income securities	1,180	2,270
Fair value (losses)/gains on equity securities	(1,306)	3
Unrealised fair value (losses) on investments	(284)	(648)
	783	2,249

30. Staff costs

	2023 $'000	2022 $'000
Salaries, wages and related costs	17,807	9,712
Bonus and ex-gratia payments	144	789
Statutory payroll contributions	684	341
Pension costs - defined contribution plan	354	112
Staff welfare	214	110
Directors fees	258	227
Other	1,379	664
	20,840	11,955

Included in staff costs are the following directors' and key management's emoluments [note 33(d):

	2023 $'000	2022 $'000
Fees	178	256
Management remuneration	2,358	2,243

31. Other operating expenses

	2023 $'000	2022 $'000
Irrecoverable GCT	231	243
Insurance	138	73
Legal and other professional fees	5,230	4,004
Licenses and permits	657	556
Marketing and advertising	1,791	737
Miscellaneous	1,504	111
Management fees [note 33(f)]	2,673	3,304
Irrecoverable income tax withheld	41	35
Office rent	150	273
Commission expenses and fees	100	593
Printing and stationery	111	98
Repairs and maintenance	2,840	1,141
Subscriptions and donations	106	95
Courier and collection services	-	179
Travelling	270	464
Utilities	286	337
Impairment of associate	6,609	830
Impairment of goodwill and other intangible assets	3,513	353
Other operating expenses	8,682	5,604
	34,932	19,030

32. Taxation

(a) Depending on the jurisdiction and nature of business, income tax is computed at 2.74%, 25%, 30% and 33⅓% of profit for the year as adjusted for tax purposes, and is made up as follows:

	2023 $'000	2022 $'000
(i) Current tax charge:		
Charge on current period's profits:		
Income tax at 2.74%	699	82
Income tax at 25%	152	70
Income tax at 30%	26	8
Income tax at 33⅓%	621	769
	1,498	929
(ii) Deferred tax (note 16): Origination and reversal of temporary differences	(380)	287
(iii) Prior year over provision	(23)	(51)
Total income tax charge	1,095	1,165

32. Taxation (continued)

(b) Reconciliation of actual tax expense:

The tax rate for two of the subsidiaries is 25% and 33⅓% of profit before income tax adjusted for tax purposes, while the tax rate for the company is 30%. The actual charge for the year is as follows:

	2023 $'000	2022 $'000
(Loss)/profit before taxation	(4,266)	16,645
Computed "expected" tax expense at 2.74%	(43)	25
Computed "expected" tax expense at 25%	1,088	70
Computed "expected" tax expense at 33⅓%	350	1,132
	1,395	1,227
Difference between profits for financial statements and tax reporting purposes on:		
Depreciation charge and capital allowances	(10)	5
Income exempt from income tax	(145)	(244)
Financial asset at fair value not taxable	(5)	(6)
Prior period over provision	(23)	(51)
Other	(117)	234
Actual tax expense	1,095	1,165

33. 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.

33. 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 33(f)].

	2023 $'000	2022 $'000
Investment management fees paid for the year	2,449	3,029
Fees under-accrued at end of year	224	275
	2,673	3,304

(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 30).

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

	2023 $'000	2022 $'000
JMMB Group Limited -deposits	6,949	12,024
Directors and key management		
Loan receivable	2,399	318
Interest receivable	30	5
Repurchase agreements	127	268
Other liabilities	118	-

Other amounts with related parties are disclosed in notes 7, 18 and 20.

33. Related party transactions (continued)

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

	2023 $'000	2022 $'000
MPS Holding Limited		
Dividends paid	-	2,556
Proven Management Limited		
Management fees	2,673	3,304
Directors and key management		
Interest income	97	28
Interest expense	3	2

34. Earnings and diluted earnings per stock unit

Earning and diluted earnings per stock unit is computed by dividing the loss/profit attributable to stockholders of the parent, of $4,864,000 (2022: $11,967,000), by the weighted average number of ordinary stock units in issue during the year, numbering 780,582,000 (2022: 759,432,000). There are no dilutive instruments in issue.

35. Distribution to equity holders

	2023 $'000	2022 $'000
Distribution to ordinary shareholders of		
At 0.31¢ (2022: 0.81¢) per stock unit - parent	2,440	6,155
- non-controlling interest	-	1,119
	2,440	7,274

36. Segment financial information

The Group is organised into five 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.

(e) Production and distribution – this incorporates the production and distribution of animal feed, dog food, margarine and shortening, soybean meal and soybean oil.

36. Segment financial information (continued)

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

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.

	2023						
	Wealth management $'000	Private banking $'000	Retail lending $'000	Real estate & other $'000	Production & distribution $'000	Eliminations $'000	Group $'000
Gross revenue	24,027	31,856	-	35,993	75,841	-	167,717
Inter-segment revenue	(5,104)	(1,463)	-	(982)	-	-	(7,549)
Revenue from external customers	18,923	30,393	-	35,011	75,841	-	160,168
Segment results	(1,673)	8,687	-	1,502	(919)	(10,244)	(2,647)
Impairment losses	(3,564)	73	(6,609)	-	-	-	(10,100)
Share of profit of associates	8,092	-	470	-	(81)	-	8,481
Loss before income tax							(4,266)
Taxation							(1,095)
Loss for the year							(5,361)
Total segment assets	394,847	662,654	-	154,901	33,120	(181,291)	1,064,231
Total segment liabilities	275,281	575,494	-	70,333	16,511	(22,730)	914,889
Interest income	8,575	25,511	-	94	-	(773)	33,407
Interest expense	(10,743)	(3,007)	-	(3,356)	(51)	1,120	(16,037)
Depreciation and amortisation	1,196	1,271	-	31	1,003	3,574	7,075

	2022						
	Wealth management $'000	Private banking $'000	Retail lending $'000	Real estate & other $'000	Production & distribution $'000	Eliminations $'000	Group $'000
Gross revenue	25,265	10,316	-	4,579	54,966	-	95,126
Inter-segment revenue	(6,607)	(736)	-	(666)	(958)	-	(8,967)
Revenue from external customers	18,658	9,580	-	3,913	54,008	-	86,159
Segment results	485	1,356	-	741	3,815	(1,797)	4,600
Impaitment losses	(353)	-	(830)	-	-	-	(1,183)
Preference share dividend							(2,556)
Share of profit of associates	14,435	-	709	-	70	-	15,214
Profit before income tax							16,075
Taxation							(1,165)
Profit for the year							14,910
Total segment assets	362,395	715,693	-	163,488	28,346	(128,147)	1,141,775
Total segment liabilities	243,685	666,285	-	82,270	10,518	(28,045)	974,713
Interest income	6,549	6,970	-	119	-	(999)	12,639
Interest expense	(5,807)	(314)	-	(2,517)	(2)	1,082	(7,558)
Depreciation and amortisation	1,072	740	-	32	540	988	3,372

36. 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.

	2023						
	St. Lucia	Jamaica	Cayman	Barbados	Canada	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenues	50,721	15,963	22,579	75,841	2,613	-	167,717
Eliminations	(5,429)	(1,045)	(1,075)	-	-	-	(7,549)
External revenues	45,292	14,918	21,504	75,841	2,613	-	160,168
Non-current assets	27,607	98,609	8,336	8,805	2,118	78,797	224,272

	2022						
	St. Lucia	Jamaica	Cayman	Barbados	Canada	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenues	18,530	14,781	5,468	54,966	1,381	-	95,126
Eliminations	(5,681)	(1,925)	(780)	(581)	-	-	(8,967)
External revenues	12,850	12,854	4,688	54,386	1,381	-	86,159
Non-current assets	22,036	98,290	8,460	9,527	1,960	94,585	234,858

37. 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.

37. Financial instruments - risk management (continued)

(a) Introduction and overview (continued):

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.

Additionally, the Group implemented a number of specific measures to mitigate unexpected liquidity adversitities. 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 monitor liquidity and capital management issues that might arise.

(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.

37. Financial instruments - risk management (continued)

(b) Credit risk:

Management of credit risk attaching to key financial assets

Investment securities and loans receivable

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:

	2023			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Cash and cash equivalents and resale agreements	148,431	-	-	148,431
Investment grade securities	185,473	598	41	186,112
Non-investment grade securities	22,051	9,107	613	31,771
Other assets	31,216	2,973	1,472	35,661
	387,171	12,678	2,126	401,975
Allowance for impairment losses	(895)	(519)	(1,762)	(3,176)
	386,276	12,159	364	398,799

	2022			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade				
Cash and cash equivalents and resale agreements	294,385	-	-	294,385
Investment grade securities	2,108	114	-	2,222
Non-investment grade securities	95,657	8,054	-	103,711
Other assets	20,411	1,442	7,315	29,168
	412,561	9,610	7,315	429,486
Allowance for impairment losses	(516)	(1,254)	(7,315)	(9,085)
	412,045	8,356	(-)	420,401

	2023				2022
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	Total $'000
Ageing of trade assets:					
1-30 days category	31,216	-	-	31,216	3,572
31-90 days category	-	2,973	-	2,973	1,085
Over 90 days category	-	-	1,472	1,472	2
	31,216	2,973	1,472	35,661	4,659
Allowance for impairment losses	(390)	(227)	(1,738)	(2,355)	(424)
	30,826	2,746	(266)	33,306	4,235

37. 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)

- Debt securities at FVOCI:

	2023				2022			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Credit grade								
Investment grade	70,200	955	78	71,233	145,534	141	-	145,675
Non-investment grade	76,504	-	371	76,875	59,070	752	35	59,857
	146,704	955	449	148,108	204,604	893	35	205,532
ECL charge	(427)	(55)	(64)	(546)	(492)	(24)	(21)	(537)

- Loans receivable at amortised cost:

	2023			
	Stage 1 $'000	Stage2 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable				
Current	219,972	-	-	219,972
Past due 1-30 days	17,996	-	14	18,010
Past due 61-90 days	-	3,170	-	3,170
Over 90 days	-	-	9,496	9,496
	237,968	3,170	9,510	250,648
Loss allowance	(1,890)	(79)	(5,342)	(7,311)
Total	236,078	3,091	4,168	243,337
Guarantees and letters of credit				
Loss allowance	(194)	-	-	(194)

	2022			
	Stage 1 $'000	Stage2 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable				
Current	169,882	-	-	169,882
Past due 1-30 days	12,340	-	-	12,340
Past due 61-90 days	-	743	-	743
Over 90 days	22,827	-	10,091	32,918
	205,049	743	10,091	215,883
Loss allowance	(1,680)	(247)	(6,580)	(8,507)
Total	203,369	496	3,511	207,376
Guarantees and letters of credit				
Loss allowance	(254)	-	-	(254)

37. 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:

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.

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.

37 Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

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

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 monitored for 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.

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.

Year ended March 31, 2023 (Presented in United States dollars, except as otherwise stated)

37. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

Incorporation of forward-looking information (continued)

The economic scenarios used as at March 31, 2023 and 2022, the following key indicators represents scores used to adjust the forward-looking information for Jamaica for the years 2024 to 2023:

	2024	2023
Unemployment rates:		
Base	26% - 55%	18% - 26%
Upside	3% - 30%	3% -20%
Downside	4% - 39%	4% - 38%
Interest rates:		
Base	31%	27%
Upside	31%	29%
Downside	19%	19%
GDP Growth:		
Base	36% - 53%	27% - 53%
Upside	6% - 67%	6% - 29%
Downside	7% - 54%	7% - 25%
Inflation rates:		
Base	9% - 21%	27%
Upside	17%	14%
Downside	19% - 23%	19%

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.

37. Financial instruments - risk management (continued)

(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 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.

37. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

The carrying value of the assets are collaterised to the extent of the percentages shown below:

	2023	2022	Principal type of collateral held
Resale agreements	87	100	Marketable securities
Loans and advances to corporate customers:			
Corporate loans	97	97	Fixed income securities assignment, share pledges
Loans and advances to retail customers:			
Mortgage lending	100	100	Residential properties
Personal loan	100	99	Cash deposits
Flexi loan	100	2	Market securities, PIL notes, Personal Guarantee, Equities and Real estate
Margin loan	26	25	Marketable securities

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, 2021	(1,136)	(28)	(88)	(1,252)
New financial assets originated or purchased	(1,629)	(623)	(14,199)	(16,451)
Financial assets derecognised	279	(456)	14	(163)
Changes to assumptions	162	-	-	162
Foreign currency adjustment	(127)	-	(14)	(141)
Balance at March 31, 2022	(2,451)	(1,107)	(14,287)	(17,845)
New financial assets originated or purchased	(1,873)	(90)	(24)	(1,987)
Financial assets derecognised	1,120	351	8,843	10,314
Changes to assumptions	300	148	(2,888)	(2,440)
Transfer from stage 1 to stage 2	30	(30)	-	-
Transfer from stage 1 to stage 3	31	-	(31)	-
Transfer from stage 2 to stage 1	(128)	128	-	-
Transfer from stage 2 to stage 3	-	12	(12)	-
Transfer from stage 3 to stage 2	-	(9)	9	-
Foreign currency adjustment	(8)	(1)	-	(9)
Write-offs	-	-	1,286	1,286
Balance at March 31, 2023	(2,979)	(598)	(7,104)	(10,681)

37. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

Loss allowance (continued)

- Debt securities at FVOCI:

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Balance at March 31, 2021	(462)	-	-	(462)
New financial assets originated or purchased	(624)	(24)	(21)	(669)
Financial assets derecognised	583	-	-	583
Foreign currency adjustment	11	-	-	11
Balance at March 31, 2022	(492)	(24)	(21)	(537)
New financial assets originated or purchased	(125)	-	-	(125)
Financial assets derecognised	144	6	-	150
Changes to assumption	61	(54)	(36)	(29)
Transfer to stage 1	(11)	11	-	-
Transfer to stage 2	1	(1)	-	-
Transfer to stage 3	-	7	(7)	-
Foreign currency adjustment	(5)	-	-	(5)
Balance at March 31, 2023	(427)	(55)	(64)	(546)

(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 as described in note 4.

- 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.

37. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

The Group manages its credit risk exposure as follows (continued):

- Loans receivable

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

(ii) Concentration of credit risk:

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.

(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.

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.

(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

37. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(i) Liquidity risk management (continued):

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

The table below presents the undiscounted cash flows of the Group's financial labilities (both interest and principal cash flows) based on contractual repayment obligations:

	2023							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	39,654	29,035	14,182	709	-	-	83,580	78,333
Notes payable	-	1,020	70,234	168,763	7,940	-	247,957	228,352
Other liabilities	9,782	-	8,747	-	-	6,117	24,646	24,117
Due to banks	420	-	101	-	-	3,166	3,687	3,687
Due to customers	555,068	2,122	4,158	7,337	-	-	568,685	568,685
Deferred income	-	-	-	4,844	-	-	4,844	4,844
Preference shares	-	-	-	-	-	1	1	1
Lease liabilities	24	59	296	1,159	116	-	1,654	1,395
Total financial liabilities	604,948	32,236	97,718	182,812	8,056	9,284	935,054	909,414

	2022							
	0-30 days $'000	31-90 days $'000	91-365 days $'000	366 days to 5 years $'000	Over 5 years $'000	No specific maturity date $'000	Total contractual outflow $'000	Carrying amount $'000
Liabilities								
Repurchase agreements	33,706	26,480	7,496	2,359	-	-	70,041	67,243
Owed to related parties	-	-	-	-	-	662	662	662
Notes payable	-	-	16,833	207,684	6,436	-	230,953	210,768
Other liabilities	7,173	-	9,381	-	-	5,216	21,770	21,770
Due to banks	420	-	100	-	-	-	520	520
Due to customers	654,919	2,028	4,549	-	-	-	661,496	661,493
Deferred income	-	-	-	9,319	-	-	9,319	9,319
Preference shares	-	-	-	-	-	1	1	1
Lease liabilities	19	58	273	1,053	276	-	1,679	1,679
Total financial liabilities	696,237	28,566	38,632	220,415	6,712	5,879	996,441	973,455

Year ended March 31, 2023 (Presented in United States dollars, except as otherwise stated)

37. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(ii) Reconciliation of movements of notes payable to cash flow arising from financing activities

	2023	2022
Balance at April 1, 2022	210,768	134,845
Proceeds from borrowings	38,246	110,739
Repayment of borrowings	(21,649)	(34,596)
Effect of foreign exchange	988	(220)
Balance at March 31, 2023	228,352	210,768

(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.

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.

Various events in the macroeconomic environment, caused significant market volatility which 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. The reposition of the financial assets portfolio across the Group has served to significantly reduce 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.

37. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

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

	2023						
	JMD $'000	USD $'000	EUR €'000	GBP £'000	CAD $'000	AUD $'000	Other $'000
Assets							
Cash and cash equivalents	578,070	-	3,856	6,046	4,448	6,688	5,619
Resale agreements	425,086	-	-	-	-	-	-
Investment securities	3,856,738	-	13,822	7,486	-	533	175
Loans receivable	2,638,542	-	-	-	-	-	-
Other	752,659	-	21	11	-	1	841
	8,251,095	-	17,699	13,543	4,448	7,222	6,635
Liabilities							
Owed to related parties	24,525	59	-	-	-	-	(4)
Repurchase agreements	4,537,813	-	-	117	-	-	-
Notes payable	8,228,285	(53)	-	-	-	-	-
Due to customers	-	-	18,542	14,309	4,287	7,242	5,637
Other	374,761	-	-	8	-	-	1,220
	13,165,384	6	18,542	14,434	4,287	7,242	6,853
Net position	(4,914,289)	(6)	(843)	(891)	161	(20)	(218)

	2022					
	JMD $'000	EUR €'000	GBP £'000	CAD $'000	AUD $'000	Other $'000
Assets						
Cash and cash equivalents	270,734	7,251	17,700	3,435	9,286	4,652
Resale agreements	1,178,081	-	-	-	-	-
Investment securities	4,501,277	15,321	8,803	-	748	170
Loans receivable	2,513,641	-	-	-	-	-
Other	590,899	-	10	-	-	1,020
	9,054,632	22,572	26,513	3,435	10,034	5,842
Liabilities						
Repurchase agreements	4,098,962	-	117	-	-	-
Notes payable	8,639,438	-	-	-	-	-
Due to customers	-	23,143	26,773	3,279	10,056	4,649
Other	128,101	2	-	-	-	1,362
	12,866,501	23,145	26,890	3,279	10,056	6,011
Net position	(3,811,869)	(573)	(377)	156	(22)	(169)

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.

37. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

Sensitivity to exchange rate movements (continued):

2023				
	% change in currency rate	Effect on profit $'000	% change in currency rate	Effect on profit $'000
Currency:				
JMD	1% Revaluation	(330)	6% Devaluation	1,849
GBP	1% Revaluation	(15)	6% Devaluation	53
CAD	1% Revaluation	5	6% Devaluation	(16)
AUD	1% Revaluation	-	6% Devaluation	-
EUR	1% Revaluation	(16)	6% Devaluation	56

2022				
	% change in currency rate	Effect on profit $'000	% change in currency rate	Effect on profit $'000
Currency:				
JMD	2% Revaluation	(507)	8% Devaluation	1,839
GBP	2% Revaluation	(6)	8% Devaluation	17
CAD	2% Revaluation	4	8% Devaluation	(11)
AUD	2% Revaluation	-	8% Devaluation	-
EUR	2% Revaluation	(11)	8% Devaluation	29

37. 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 rate risk, whereas fixed interest rate instruments expose the Group to fair value interest rate 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.

	2023						
	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	37,383	12,472	-	44	-	94,899	144,798
Resale agreements	5,913	(3,968)	-	269	-	1,419	3,633
Investment securities	12,055	22,274	96,940	176,342	69,037	2,032	378,680
Loans receivable	1,693	8,283	199,860	18,547	14,954	-	243,337
Other assets	6,844	-	6	-	-	26,244	33,094
Total assets	63,888	39,061	296,806	195,202	83,991	124,594	803,542
Liabilities							
Repurchase agreements	35,274	28,658	13,725	676	-	-	78,333
Owed to related parties	-	-	-	-	-	-	-
Notes payable	19,247	5,974	58,997	95,156	48,978	-	228,352
Other liabilities	-	-	8,747	-	723	14,647	24,117
Deposits from other banks	-	-	100	-	-	3,587	3,687
Due to customers	168,235	66,608	68,756	5,822	6,417	252,847	568,685
Deferred income	-	-	-	4,844	-	-	4,844
Lease liabilities	31	80	264	905	115	-	1,395
Preference shares	-	-	-	-	-	1	1
Total liabilities	222,787	101,320	150,589	107,403	56,233	271,082	909,414

37. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

	2023						
	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	(158,899)	(62,259)	146,217	87,799	27,758	(146,488)	(105,872)
Cumulative interest rate sensitivity gap	(158,899)	(221,158)	(74,941)	12,858	40,616	(105,872)	-

	2022 *						
	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	88,261	29,089	-	1,869	-	166,928	286,147
Resale agreements	5,586	908	-	-	-	1,743	8,237
Investment securities	16,040	5,630	90,417	137,093	78,675	7,337	335,192
Loans receivable	5,827	3,050	179,843	15,904	2,752	-	207,376
Other assets	4,665	-	3	-	-	18,295	22,963
Total assets	120,379	38,677	270,263	154,866	81,427	194,303	859,915
Liabilities							
Repurchase agreements	31,305	26,310	7,329	2,299	-	-	67,243
Owed to related parties	-	-	-	-	-	662	662
Notes payable	28,394	-	6,754	127,493	48,127	-	210,768
Other liabilities	689	-	9,381	-	560	11,140	21,770
Deposits from other banks	-	-	100	-	-	420	520
Due to customers	233,295	20,572	53,308	9,033	1,696	343,589	661,493
Deferred income	-	-	-	9,319	-	-	9,319
Lease liabilities	29	78	243	1,053	276	-	1,679
Preference shares	-	-	-	-	-	1	1
Total liabilities	293,712	46,960	77,115	149,197	50,659	355,812	973,455
Interest rate sensitivity gap	(173,333)	(8,283)	193,148	5,669	30,768	(161,509)	(113,540)
Cumulative interest rate sensitivity gap	(173,333)	(181,616)	11,532	17,201	47,969	(113,540)	-

*The 2022 table was restated to reclassify certain amounts that were due to customers from non-interest sensitive to the 0-30 days bucket.

37. 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.

	2023		2022	
	JMD %	USD %	JMD %	USD %
Assets				
Resale agreements	8.3	4.65	5.44	3.7
Investment securities	3.44	4.79	4.7	8.53
Loans receivable	8.14	4.19	9.66	7.15
Liabilities				
Repurchase agreements	7.17	3.88	3.97	2.79
Notes payable	5.60	5.02	4.25	4.9
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.

	2023	2022
J$ interest rates	Increase by 100 bps	Increase by 300 bps
US$ interest rates	Decrease by 50 bps	Decrease by 50 bps
US$ interest rates	Increase by 100 bps	Increase by 150 bps
	Decrease by 50 bps	Decrease by 50 bps

	2023		2022	
	Effect on profit $’000	Effect on equity $’000	Effect on profit $’000	Effect on equity $’000
Direction of change in basis points:				
Increase in interest rates	1,591	1,098	(26)	326
Decrease in interest rates	109	(1,948)	4	(5,192)

37. 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 $1,401,000 (2022: $5,669,000).

A 6% (2022: 5%) increase in stock prices at March 31, 2023 would have increased profit by $84,000 (2022: $283,400); a 6% (2022: 5%) decrease in stock prices as at the reporting date would result in a decrease in profit by $84,000 (2022: $283,400).

(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, Financial Services Regulatory Authority ("the FSRA") in St. Lucia and Cayman Islands Monetary Authority ("CIMA") in Cayman Islands;

(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, the FSRA and CIMA. The required information is filed with the FSC on a monthly basis and with the FSRA and CIMA 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%.

37. 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 FSRA) 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 Cayman Islands regulator, (CIMA) requires each bank to :

(i) hold the minimum level regulatory capital of $400,000, and

(ii) maintain a ratio of total regulatory capital to risk-weighted assets at or above a minimum of 15.00%.

- Tier 1 – share capital, retained earnings and reserves created by appropriations of retained earnings, reduced by the carrying value of goodwill and investments in associates.
- Tier 2 – qualifying subordinated loans, collective loan impairment provisions and unrealised gains that result from measuring equity instruments at fair value.

Risk-weighted assets are measured based on a hierarchy of five (5) risk weights taking into consideration the nature and estimate of credit, market and other risks associated with each asset and counterparty, adjusted for eligible collateral or guarantees. Similar treatment is applied to off-balance sheet exposures

37. Financial instruments - risk management (continued)

(e) Capital management (continued):

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

	Proven Wealth Limited		International Financial Planning Jamaica Limited		BOSLIL Bank Ltd		Fidelity Bank Cayman Ltd	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 capital:								
Ordinary shares	443	434	4,539	4,448	8,277	8,277	37,890	3,800
Retained earnings and reserves	15,783	14,693	(3,283)	(3,215)	24,470	19,977	21,800	21,798
Total qualifying tier 1 capital	16,226	15,127	1,256	1,233	32,747	28,254	59,690	25,598
Tier 2 capital:								
Unrealised losses	-	-	-	-	(5,382)	-	-	-
Redeemable preference shares, being total qualifying tier 2 capital	222	217	-	-	-	-	-	-
Total regulatory capital	16,448	15,344	1,256	1,233	27,365	28,254	59,690	25,598
Total risk-weighted assets	97,077	79,716	1,127	1,080	167,464	181,099	331,245	162,277

The regulators require the subsidiaries to maintain certain specific ratios, as follows:

	Proven Wealth Limited		International Financial Planning Jamaica Limited		BOSLIL Bank Ltd		Fidelity Bank Cayman Ltd	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'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	98.65%	98.58%	100.00%	100.00%	-	-	-	-
(ii) Regulatory capital to total assets:								
Minimum required	6.00%	6.00%	6.00%	6.00%	-	-	-	-
Actual	13.41%	14.70%	94.92%	96.07%	-	-	-	-
(iii) Regulatory capital to risk-weighted assets:								
Minimum required	10.00%	10.00%	10.00%	10.00%	-	-	15.00%	15.00%
Actual	16.94%	19.21%	111.52%	114.20%	-	-	18.02%	15.77%
(iv) Basel capital ratio:								
Minimum required		-		-	4.00%	4.00%	-	-
Actual	-	-	-	-	19.55%	15.79%	-	-
(v) Basel capital adequacy ratio:								
Minimum required	-	-	-	-	8.50%	8.50%	-	-
Actual	-	-	-	-	16.34%	10.83%	-	-

38. 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.

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.

38. Financial instruments – fair values (continued)

(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.
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.

38. Financial instruments – fair values (continued)

(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 2 of the fair value hierarchy.

	2023							
	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	Level 3 $'000	Total $'000
Quoted equities	-	-	1,401	1,401	1,401	-	-	1,401
Global bonds	175,136	82,598	4,167	261,901	201,242	59,894	765	261,901
Government of Jamaica securities	-	40,050	-	40,050	-	40,050	-	40,050
Corporate bonds	42,138	13,969	-	56,107	-	56,107	-	56,107
Certificate of deposit	-	1,163	-	1,163	-	1,163	-	1,163
Foreign sovereign debt	-	10,328	-	10,328	-	10,328	-	10,328
Investments in unit trust	-	-	5,819	5,819	-	5,819	-	5,819
Private equity funds	-	-	453	453	-	453	-	453
Call/put options	-	-	1,458	1,458	-	1,458	-	1,458
	217,274	148,108	13,298	378,680	202,643	175,272	765	378,680

	2022						
	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	-	-	5,669	5,669	5,669	-	5,669
Global bonds	56,029	159,631	9,787	225,447	153,226	56,343	209,569
Government of Jamaica securities	-	27,094	-	27,094	-	27,094	27,094
Corporate bonds	49,277	8,579	-	57,856	-	57,856	57,856
Certificate of deposit	-	2,326	-	2,326	-	2,326	2,326
Foreign sovereign debt	-	7,902	-	7,902	-	7,902	7,902
Investments in unit trust	-	-	6,103	6,103	-	6,103	6,103
Private equity funds	-	-	443	443	-	443	443
Call/put options	-	-	2,352	2,352	-	2,352	2,352
	105,306	205,532	24,354	335,192	158,895	160,419	319,314

39. Restatement

The classification or presentation of some items in the statements of financial position, profit or loss and other comprehensive income and cash flows were changed to achieve a more appropriate presentation, as required by the applicable financial reporting framework.

(i) Statement of financial position:

(a) The carrying value for investment in associates have been adjusted as a result of the restatements in the share of profits from associates [see (ii)(b) below].

(b) During the period the Group reclassified the pension fund asset to other assets as a legal separate fund that exists solely to pay or fund employee benefits has not yet been established. This restatement only affects the statement of financial position as at March 31, 2022.

(ii) Statement of profit or loss and other comprehensive income:

(a) The Group previously presented certain direct production expenses as apart of operating expense instead of cost of sales. The Group amended the presentation of cost of sales to include expenses directly or indirectly attributable to the production process. This restatement only affects the Statement of profit or loss and other comprehensive income for the year ended March 31, 2022.

(b) During the period there has been restatements of profit from associates to achieve a more appropriate presentation, as required by the applicable financial reporting framework. These restatements related to loan origination fees being recognised in profit or loss as the services were provided, however IFRS 9 requires these fees to be added to the loans and amortised over the life of the loans. Additionally, there was a restatement to correct the measurement of deferred tax and tax expense in respect of unrealized investment gains. These restatements have resulted in an adjustment to the share of profits from these associates in the prior periods.

(iii) Earnings and diluted earnings per stock unit

Earnings and diluted earnings per stock unit as at March 31, 2022 was reported as $1.65. The restated earnings per stock unit for March 31, 2022 is $1.58

(iv) Statement of cash flows

(a) Changes in notes payable were shown net instead of gross as required by IAS 7. The statement of cash flows has been restated to show the gross amounts net of foreign exchange adjustments.

(b) The statement of cash flows has been affected by the reclassification of dividends received from associates, which was previously included in other assets under cash flow from operating activities. This has now been presented as dividends received from interest in associate under cash flow from investing activities.

(c) The Group has commenced the disclosure of the impact of foreign exchange changes on its foreign cash and cash equivalent balances in accordance with IAS 7.

39. Restatement (continued)

Statement of Financial Position

April 1, 2021	Notes	Group As Previously Reported $'000	Adjustments $'000	As Restated $'000
Assets				
Investment in associates	(i)(a)	146,174	(1,007)	145,167
Others		528,368	-	528,368
Total Assets		**674,542**	**(1,007)**	**673,535**
Total liabilities		**505,117**	**-**	**505,117**
Retained earnings	(ii)(a)	36,277	(1,007)	35,270
Others		125,404	-	125,404
		161,681	(1,007)	160,674
Non-controlling interest		7,744	-	7,744
Total equity		**169,425**	**(1,007)**	**168,418**
		674,542	**(1,007)**	**673,535**

March 31, 2022	Notes	Group As Previously Reported $'000	Adjustments $'000	As Restated $'000
Assets				
Investment in associates	(i)(a)	140,512	(1,577)	138,935
Pension fund asset	(i)(b)	709	(709)	-
Trade and other assets	(i)(b)	22,963	2,714	25,677
Others		977,591	-	977,591
Total Assets		**1,141,775**	**428**	1,142,203
Defined benefit obligation		912	2,005	2,917
Others		973,801	-	973,801
Total liabilities		**974,713**	**2,005**	976,718
Retained earnings	(ii)(a)	43,126	(1,577)	41,549
Others		99,512	-	99,512
		142,638	(1,577)	141,061
Non-controlling interest		24,424	-	24,424
Total equity		167,062	(1,577)	165,485
		1,141,775	**428**	1,142,203

39. Restatement (continued)

Statement of Profit or Loss and Other Comprehensive Income

		Group		
March 31, 2022		**As Previously Reported**	**Adjustments**	**As Restated**
	Notes	**$'000**	**$'000**	**$'000**
Net Interest Income		5,081	-	5,081
Gross profit on manufacturing operations				
Gross revenue	(ii)(a)	53,694	-	53,694
Cost of sales	(ii)(b)	(37,901)	(7,259)	(45,160)
	(ii)(b)	15,793	(7,259)	8,534
Other operating revenue		15,917	-	15,917
Operating revenue net		**36,791**	**-**	**29,532**
Other income		**9,228**	**-**	**9,228**
Operating expenses				
Staff costs		14,918	(2,963)	11,955
Depreciation and amortisation		3,372	(264)	3,108
Impairment loss/(reversal) on financial instruments		1,216	-	1,216
Property expenses		34	-	34
Other operating expense		23,062	(4,032)	19,030
		42,602	**(7,259)**	**35,343**
Operating profit		**3,417**	**-**	**3,417**
Preference share dividend		(2,556)	-	(2,556)
Share of profit of associates		15,784	(570)	15,214
Taxation	(ii)(c)	(1,165)	-	(1,165)
Profit for the year		**15,480**	**(570)**	**14,910**
Other comprehensive loss		**(26,976)**	**-**	**(26,976)**
Total comprehensive loss		**(11,496)**	**(570)**	**(12,066)**

39. Restatement (continued)

Statement of Cash flows

		Group		
March 31, 2022	**Notes**	**As Previously Reported $'000**	**Adjustments $'000**	**As Restated $'000**
Cash flows from operating activities				
Profit for the year		15,480	(570)	14,910
Share of profits		(15,784)	570	(15,214)
Other assets	(iv)(b),(c)	3,986	(3,055)	931
Others		45,813	(127)	45,686
Net cash provided by operating activities		49,495	(3,182)	46,313
Cash flow from investing activities				
Dividends received from equity accounted investees	(iv)(b)	-	2,083	2,083
Others		18,640	-	18,640
Net cash provided by investing activities		18,640	-	20,723
Cash flow from financing activities				
Notes payable, net	(iv)(a)	73,758	(73,758)	-
Proceeds from notes payable	(iv)(a)	-	110,739	110,739
Repayment of notes payable	(iv)(a)	-	(34,596)	(34,596)
Others		(7,605)	127	(7,478)
Net cash provided by financing activities		66,153	2,512	68,665
Net increase in cash and cash equivalents		134,288	1,413	135,701
Cash and cash equivalents at beginning of year		151,859	-	151,859
Effect of exchange rate fluctuations on cash and cash equivalents	(iv)(c)	-	(1,413)	(1,413)
Cash and cash equivalents at end of year		**286,147**	-	**286,147**

Company Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Opinion

We have audited the separate financial statements of Proven Group Limited ("the Company") set out on pages 173 to 220, which comprise the separate statement of financial position as at March 31, 2023, the separate 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 separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at March 31, 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

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 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 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.

To the Members of
PROVEN GROUP LIMITED
(formerly 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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*

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 make significant judgement and 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. Management considered the following: - qualitative factors that create 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 design and implementation of the control over management review of the expected credit losses. • Tested the completeness and accuracy of the data used in the models to the underlying accounting records on a sample basis. • Challenged management's key assumptions by involving our financial risk modelling specialists to evaluate the appropriateness of the Company'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.

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Key Audit Matters (Continued)

1. *Measurement of Expected Credit Losses (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(d) and 22(b) of the financial statements.*	• Involved our financial risk modelling specialists to evaluate the appropriateness of the Company's methodologies for determining management overlay and forward-looking information, which included evaluating the economic scenarios used and the probability weightings applied to them. • Assessed the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9.

2. *Impairment of investment in subsidiaries and associates*

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the Company's investments in subsidiaries and associates may not be recoverable due to changes in the business and economic environment in which the relevant entities operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability.	We performed the following procedures: • Evaluated whether there were indicators of impairment of the investments, considering the economic environment and business performance of each investee. • Tested the design and implementation of the control over management review of impairment testing of the investment in subsidiaries and in associates.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Key Audit Matters (Continued)

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

Key Audit Matter	*How the matter was addressed in our audit*
	• Tested the reasonableness of the forecasts and discounted cash flow calculations, including use of our valuation specialists to evaluate the assumptions and methodologies used by management and to test the mathematical accuracy of the computations. • Compared the Company's assumptions to externally derived data as well as our own assessments of key inputs, such as economic factors, cost inflation and discount rates, as well as performing sensitivity analysis on the assumptions. • Compared the sum of the discounted cash flows to each investee's market capitalisation, where applicable and our understanding of the market conditions, to assess the reasonableness of those estimates. • Compared the carrying values to the computed recoverable amounts. • Assessed the adequacy of the Company's disclosures about the key assumptions and the sensitivity of the impairment assessments to changes in key assumptions.

To the Members of
PROVEN GROUP LIMITED
(formerly 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 Company's investment securities requires significant estimation, which is impacted by uncertainty of market factors. The valuation of the Company's investments require significant estimation, as quoted prices are not available for all these instruments. Valuation of these investments, although based on observable inputs, involves the exercise of judgement and the use of assumptions. *See notes 4 and 23 of the financial statements.*	We performed the following procedures: • Tested the design and implementation of the control over management review of the valuation of investment securities. • 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 investment securities. • Reviewed management's assessment and considered whether impairment is appropriately considered and reflected in the measurement of investments. • Assessed the adequacy of the Company's disclosures about fair value measurements and the sensitivity of the fair values to changes in key assumptions.

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

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 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.

Our opinion on the 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 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 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 Financial Statements

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

In preparing the 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 Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 171 to 172, 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

August 2, 2023

To the Members of
PROVEN GROUP LIMITED
(formerly 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the Members of
PROVEN GROUP LIMITED
(formerly PROVEN INVESTMENTS LIMITED)

Appendix to the Independent Auditors' report (continued)

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 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.

Statement of Financial Position

As of March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	2022 $'000
ASSETS			
Cash and cash equivalents	3(b)(ii)	2,412	2,973
Resale agreements	3(b)(iii)	4,324	2,126
Investment securities	4	9,133	11,648
Loans receivable	5	14,418	29,826
Other assets	6	3,399	1,235
Investment in subsidiaries	7	215,214	194,767
Income tax recoverable		196	196
Investment in associates	8	4,698	4,968
Owed by subsidiaries	9	10,452	2,627
Total assets		264,246	250,366
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Owed to related parties	9	215	2,825
Notes and loans payable	10	159,811	144,823
Other liabilities	11	2,665	2,402
Preference shares	12	1	1
Total liabilities		162,692	150,051
Stockholders' equity			
Share capital	13	125,961	115,754
Fair value reserve	14	(974)	(477)
Accumulated deficit		(23,433)	(14,962)
Total stockholders' equity		101,554	100,315
Total liabilities and stockholders' equity		264,246	250,366

The financial statements on pages 173 to 220 were approved for issue by the Board of Directors on July 31, 2023 and signed on its behalf by:

Rhory McNamara Director

Jeffrey Gellineau Director

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

Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	2022 $'000
Net interest expense and other revenue			
Interest income, computed using the effective interest method	15	1,973	2,541
Interest expense	15	(6,386)	(3,900)
		(4,413)	(1,359)
Dividends		3,221	4,521
Net fair value adjustments and realised (losses)/gains	16	(899)	97
Net foreign exchange gain		9	246
Loss on disposal of investment in associate	8(i)	-	(91)
Operating (loss)/revenue, net of interest expense		(2,082)	3,414
Other income		908	914
Total		(1,174)	4,328
Operating expenses			
Staff costs	17	140	115
Impairment reversal on loans and other assets		(41)	(67)
Impairment loss/(reversal) on investments		3	(8)
Other operating expenses	18	4,755	7,454
Total		4,857	7,494
Operating loss		(6,031)	(3,166)
Preference share dividend	20(f)	-	(2,556)
Loss for the year		(6,031)	(5,722)
Other comprehensive loss			
Items that are or may be reclassified to profit or loss:			
Realised gains on debt securities at FVOCI reclassified to profit or loss		-	190
Unrealised losses on debt securities at FVOCI		(497)	(706)
Total other comprehensive loss		(497)	(516)
Total comprehensive loss for the year		(6,528)	(6,238)

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

Statement of Changes in Equity

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Share capital $'000 (note 13)	Fair value reserve $'000 (note 14)	Accumulated deficit $'000	Total $'000
Balances at March 31, 2021	**115,754**	**39**	**(3,085)**	**112,708**
Total comprehensive income for 2021				
Loss for the year	-	-	(5,722)	(5,722)
Other comprehensive loss for the year				
Unrealised losses on debt securities at FVOCI	-	(706)	-	(706)
Realised gains on securities at FVOCI	-	190	-	190
Other comprehensive loss	-	(516)	-	(516)
Total comprehensive loss for the year	-	(516)	(5,722)	(6,238)
Transactions with owners recorded directly in equity				
Dividends to equity holders (note 21)	-	-	(6,155)	(6,155)
Balances at March 31, 2022	**115,754**	**(477)**	**(14,962)**	**100,315**
Total comprehensive income for 2022				
Loss for the year	-	-	(6,031)	(6,031)
Other comprehensive income for the year				
Unrealised losses on securities at FVOCI being other comprehensive income	-	(497)	-	(497)
Total comprehensive loss for the year	-	(497)	(6,031)	(6,528)
Transactions with owners recorded directly in equity				
Issue of ordinary shares [note 13(a)]	10,207	-	-	10,207
Dividends to equity holders (note 21)	-	-	(2,440)	(2,440)
Balances at March 31, 2023	**125,961**	**(974)**	**(23,433)**	**101,554**

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

Statement of Cash Flows

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Loss for the year		(6,031)	(5,722)
Adjustments for:			
Interest income	15	(1,973)	(2,541)
Interest expense	15	6,386	3,900
Dividend income		(3,221)	(4,521)
Impairment reversal on loans and other assets		(41)	(67)
Impairment loss/(reversal) on investments		3	(8)
Unrealised foreign exchange gain		(9)	(246)
		(4,886)	(9,205)
Change in operating assets and liabilities			
Acquisition of investment securities		(1,000)	(30,669)
Proceeds from disposal of investments securities		3,022	49,189
Loans receivable		14,702	(414)
Other assets		(2,161)	1,961
Owed by subsidiaries		(7,825)	(2,078)
Other liabilities		359	1,105
Repurchase agreements		(2,198)	(2,541)
Owed to related party		(2,610)	1,277
		(2,597)	8,625
Interest received		1,972	2,578
Dividend received		3,491	4,521
Interest paid		(6,482)	(4,129)
Income tax paid		-	746
Net cash (used in)/provided by operating activities		(3,616)	12,341
Cash flows from investing activities			
Acquisition of interest in subsidiaries		(9,493)	(67,520)
Net cash used in investing activities		(9,493)	(67,520)
Cash flows from financing activities			
Repayment of notes payable		(15,476)	(31,942)
Proceeds from issue of notes payable		30,464	89,260
Dividends paid	21,22	(2,440)	(6,155)
Net cash provided by financing activities		12,548	51,163
Net decrease in cash and cash equivalents		(561)	(4,016)
Cash and cash equivalents at beginning of year		2,973	6,989
Cash and cash equivalents at end of year		2,412	2,973

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

Notes to the Financial Statements

Year ended March 31, 2023 *(Presented in United States dollars, except as otherwise stated)*

1. Identification

During the year, the Board of Directors of PROVEN Investments Limited ('the Company') passed a resolution to effect a change of the name of the Company from 'PROVEN Investments Limited' to 'PROVEN Group Limited'.

Proven Group 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 is controlled by MPS Holdings Limited by virtue of the rights associated with the manager's preference shares (see note 12). 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 investees.

Proven Management Limited (PML), a Jamaican limited liability company, is responsible for managing the operations of the Company including identifying analysing and negotiating potential investments and monetising the performance of these investments. Management fees are paid to PML at a rate of 2% of the average Net Asset Value of the Company, together with general consumption tax, if applicable, for services provided [see note 20 (c)].

During the financial year, the Company embarked on a restructuring and rebranding exercise. This led to the incorporation of two new subsidiaries, along with the renaming of several entities, with the Proven brand (see note 7).

The Company has the following subsidiaries and associated companies:

Subsidiaries	Country of incorporation	Nature of Business	Percentage ownership 2023	Percentage ownership 2022
Proven Bank Holding Limited	Cayman	Holding company	100	-
Proven Bank (Cayman) Limited (formerly Fidelity Bank Cayman Limited) (see note 7)	Cayman Islands	Retail Banking Services	100	100
Proven Properties (Cayman) Limited (formerly Real Properties Limited)	Cayman Islands	Real estate investment	100	100
WBR Properties Limited	Cayman Islands	Real estate investment	50.5	50.5
Proven Bank (St. Lucia) Limited (formerly Boslil Bank Limited)	Saint Lucia	Private Banking	100	100
Proven International Holdings Limited (formerly Boslil International Holdings Limited)	Saint Lucia	Holding company	100	75
Proven Bond Fund Limited (formerly Boslil Bond Fund Limited)	Saint Lucia	Structured finance services investment management	100	100
Proven Equity Fund Limited (formerly Boslil Fund Limited)	Saint Lucia	Private mutual fund	100	100
Proven Secretarial Services (formerly Boslil Secretarial Services)	Saint Lucia	Private secretarial services	100	100
Proven Corporate Services Limited (formerly Boslil Corporate Services Limited)	Saint Lucia	Registered agent services	100	100
Proven Finance Limited (formerly Boslil Finance Limited)	Saint Lucia	Structured finance services investment management	100	100
Proven Sudamenco S.A. (formerly Boslil Sudamenco S.A)	Uruguay	Market research translation and business development services	100	100
Proven Investments Holding Limited	St. Lucia	Holding company	100	-
Heritage Education Funds International Inc.	Canada	Scholarship Trust plans	100	100

Year ended March 31, 2023 (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 2023	2022
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
Proven Wealth (Cayman Limited) (formerly International Financial Planning (Cayman Limited):	Cayman Islands	Investment advisory services	100	100
Proven Wealth Cayman Ltd (formerly IFP Cayman Ltd)	Cayman	Investment advisory services	100	100
Proven Wealth BVI Limited (formerly IFP BVI Limited)	BVI	Investment advisory services	100	100
Proven Wealth Bermuda Limited (formerly IFP Bermuda Limited)	Bermuda	Investment advisory services	100	100
Asset Management Company Limited	Jamaica	Hire purchase financing	100	100
Proven | Properties Limited:	Saint Lucia	Real estate investment	100	100
Real 53 NPW 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
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 Properties Cayman Limited	Cayman	Real estate investment	100	-
Real Logistics Limited	Jamaica	Real eatate investment	100	-
GIAU B8	Jamaica	Real estate investmen	100	-
GIAU B10	Jamaica	Real estate investmentt	100	-
Proven Properties Jamaica Limited (formerly Proven Reit Limited)	Jamaica	Management services	100	100
Proven Holdings Limited	Saint Lucia	Holding company	100	100
Roberts Manufacturing Company Limited (see note 7)	Barbados	Production and distribution of animal feed	50.5	50.5
Pinnacle Feeds Limited	Barbados	Production and distribution of animal feed	60	60
Associate companies				
JMMB Group Limited	Jamaica	Investment management and banking services	20	20
Access Financial Services Limited (note 8)	Jamaica	Retail lending	24.72	24.72

2. Statement of compliance and 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.

New and amended standards that became effective during the year:

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

New and amended standards that are not yet effective:

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

(i) Amendments to IAS 1 Presentation of Financial Statements are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

The key amendments to IAS 1 include:

- requiring companies to disclose their *material* accounting policies rather than their *significant* accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The Company does not expect the amendment to have a significant impact on its 2024 financial statements.

(ii) Amendments to IAS 1 Presentation of Financial Statements, will apply retrospectively for annual reporting periods beginning on or after January 1, 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

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

(a) Statement of compliance (continued):

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

(ii) (Continued)

Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, the standard requires that a right to defer settlement must have substance and exist at the reporting date.

It has now been clarified that a right to defer exists only if the entity complies with conditions specified in a loan agreement at the reporting date, even if the lender does not test compliance until a later date. With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a reporting entity classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

The Company does not expect the amendment to have a significant impact on its 2024 financial statements.

(iii) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

- selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and
- choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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

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

(b) Basis of measurement:

These financial statements are intended to show the affairs of the Company as a stand-alone business. They are not intended to, and do not show the consolidated financial position, results of operations and cash flows of the Company and its subsidiaries. The Company's interests in subsidiaries (note 7) are measured at cost less allowance for impairment. Unless otherwise indicated, reference to "financial statements" herein are to the unconsolidated financial statements.

The financial statements are prepared on the historical cost basis, except for the inclusion of investment securities at fair value through other comprehensive income or at fair value through profit or loss.

(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.

(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.

2. Statement of compliance and 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)

(1) Impairment of financial assets (continued):

Detailed information about the judgements and estimates made by the Company in the above areas is set out in notes 3(d) and 22(b).

(2) Fair value of financial instruments

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices. In the absence of quoted market prices, the fair value of a significant proportion of the Company's financial assets are determined using fair value models. Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimate arrived at may be significantly different from the actual price of the instrument in arm's length transaction. (See notes 4 and 23).

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

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

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

- Whether the criteria are met for classifying financial assets. For example, the determination of whether a security may be classified as at "fair value through profit or loss (FVTPL)", "fair value through other comprehensive income (FVOCI)" or "amortised cost" (note 4) or whether a security's fair value may be classified as 'Level 1' in the fair value hierarchy (note 23) requires judgement as to whether a market is active. [see note 3(a)].
- In determining whether the Company 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(f), 3(g), 7 and 8].

3. Significant accounting policies

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

(i) Classification of financial assets

In applying IFRS 9, the Company 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.

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

Based on these factors, the Company 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 22(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 Company 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)

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

(i) Classification of financial assets (continued)

The classification requirements for debt and equity instruments are described below (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 Company subsequently measures all equity investments at fair value through profit or loss, except where 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 profit or loss.

Business model assessment

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company'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 Company 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 Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

3. Significant accounting policies (continued)

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

(i) Classification of financial assets (continued)

Business model assessment (continued)

In making this assessment, the Company 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 Company 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 Company recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

The Company 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 Company 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 Company is recognised as a separate asset or liability.

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

(iii) Financial liabilities

The Company classifies non-derivative financial liabilities into the "other financial liabilities" category. These are measured at amortised cost.

3. Significant accounting policies (continued)

(a) 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 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. However, any difference between the carrying value and the amount realised on sale is recognised in profit or loss.

(b) 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 Company makes use of derivatives to manage its own exposure to foreign exchange and interest rate risk.

The Company 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)

(b) 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) Resale agreements

Resale agreements are accounted for as short-term collateralised lending, and are classified as 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.

At the reporting date, the fair value of the securities held as collateral for resale agreements was $3,332,000 (2022: $1,715,000).

(iv) Other assets

Other assets are measured at amortised cost less impairment losses.

(v) Other liabilities

Other liabilities are measured at amortised cost.

(vi) Share capital

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

In the case of preference share capital, it 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.

3. Significant accounting policies (continued)

(b) Financial instruments – Other (continued)

(vii) Loans receivable

Loans receivable are measured at amortised cost less impairment allowances, see note 3(d).

(viii) Accounts payable

Accounts payable are measured at amortised cost.

(ix) 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 the effective interest basis.

(x) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company 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.

(xi) Amortised cost

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

(c) Income 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 case, it is recognised accordingly.

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.

(d) Impairment of financial assets

The Company 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.

3. Significant accounting policies (continued)

(d) Impairment of financial assets (continued)

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 Company.
- 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 Company determines when a significant increase in credit risk has occurred.
- A financial asset is credit impaired ('Stage 3') when one or more events that has a detrimental impact on the estimated future cash flows of the financial asset have occurred.
- 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 22(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 22(b) for an explanation of how the Company has incorporated this in its ECL models.
- 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).

Credit-impaired financial assets

At each reporting date, the Company 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 Company 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.

3. Significant accounting policies (continued)

(d) Impairment of financial assets

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company 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.

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 Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Measurement of ECL

The Company 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 probability of default (PD), loss given default (LGD) and exposure default (EAD) for each future month and for each individual exposure.

3. Significant accounting policies (continued)

(d) Impairment of financial assets (continued)

Measurement of ECL (continued)

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.

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 Company 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 Company if the commitment is drawn and the cash flows that the Company expects to receive;

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.
- 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.

(e) Impairment of non-financial assets

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

(f) Investment in subsidiaries

Subsidiaries are all entities controlled by the Company. The Company 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.

3. Significant accounting policies (continued)

(f) Investment in subsidiaries (continued)

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

(g) Business combination under common control

When a common control transaction is effected through the acquisition of assets and liabilities constituting a business under IFRS 3 *Business Combinations* (from an entity under common control) rather than by acquiring shares in that business, then the Company accounts for business combination under common control using the book value method. In applying book value accounting, the transaction is recognised as a distribution or contribution from a transaction with shareholders. The relevant book value is the carrying amount of the investee in the separate financial statements of the transferor.

(h) Investments in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the relevant financial and operating policies. Interest in associates are measured at cost, less allowance for impairment.

(i) Revenue recognition

Revenue comprises interest income, dividend 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).

(ii) Dividends

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

(iii) Gains or losses on holding and trading securities

Gains or losses on securities trading are recognised when the Company 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.

3. Significant accounting policies (continued)

(j) 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.

4. Investment securities

	2023 $'000	2022 $'000
Financial assets at fair value through profit or loss		
Quoted equities	1,333	3,872
Unit Trust	-	500
Private equity funds	453	443
	1,786	4,815
Financial assets at fair value through other comprehensive income		
Global bonds	3,230	3,354
Corporate bonds	4,117	3,479
	7,347	6,833
Total investment securities	9,133	11,648

As at March 31, 2023, $6,169,000 (2022: $6,185,000) of investment securities is expected to be recovered after 12 months from the reporting date.

Investment securities are used as collateral for margin loan facilities provided by the Company's brokers [note 10(ii)]

5. Loans receivable

	2023 $'000	2022 $'000
Corporate notes	14,616	30,065
Less allowance for expected credit losses [see (b)]	(198)	(239)
	14,418	29,826

5. Loans receivable (continued)

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

	Within 3 months $'000	3-12 months $'000	1-5 years $'000	Over 5 years $'000	Total $'000
			2023		
Corporate notes	903	10,893	1,880	742	14,418
			2022		
Corporate notes	6,517	11,669	10,738	902	29,826

The movement on the expected credit losses is as follows:

	2023 $'000	2022 $'000
Balance at the beginning of the year	239	306
Impairment allowances reversed	(41)	(67)
Balance at the end of the year	198	239

6. Other assets

	2023 $'000	2022 $'000
Interest receivable	293	292
Prepayments	63	482
Other	3,043	461
	3,399	1,235

7. Investment in subsidiaries

	2023 $'000	2022 $'000
Ordinary shares, at cost:		
Proven Bank Holding Limited[see (v) below]	58,007	-
Proven Investments Holding Limited[see (v) below]	135,342	-
Proven Bank (Cayman) Limited [see (i) below]	-	32,117
Roberts Manufacturing Company Limited [see (ii) below]	21,453	21,453
Heritage Education Funds International [see (iii) below]	-	8,290
Proven Wealth Limited	-	16,567
Proven Properties Limited	-	23,848
Asset Management Company Limited	412	412
Proven Bank (St. Lucia) Limited	-	11,935
International Financial Planning Jamaica Limited	-	18,176
Proven Holdings Limited	-	47,756
Proven Wealth (Cayman) Limited	-	14,213
	215,214	194,767

(i) Proven Bank (Cayman) Limited

Effective February 1, 2022, the Company acquired 3,800,000 common shares, representing a 100% interest in Proven Bank (Cayman) Limited (PBCL) from Fidelity Bank & Trust International Limited for a consideration of $32,116,949. PBCL is incorporated in the Cayman Islands. FBCL is licensed as a Category A Bank to carry on banking business in the Cayman Islands, subject to certain restrictions contained in the terms of the license. PBCL and its subsidiaries offer a full range of retail banking services, including internet and telephone banking, acceptance of deposits, granting of loans and the provision of foreign exchange services through each of its two (2) branches in Grand Cayman.

(ii) Roberts Manufacturing Company Limited

Effective June 1, 2021, the Company acquired 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. The principal activities of RMCL are the production and distribution of animal feed, dog food, margarine and shortening, soybean meal and soybean oil.

(iii) Heritage Education Funds International Inc.

Effective October 1, 2021, the Company acquired 100 common shares, representing a 100% interest in Heritage Education Funds International Inc (HEFI) from Knowledge First Foundation for a consideration of $8,289,758. HEFI is the distributor of the Heritage International Scholarship Trust Plan- Fund D and assists the Heritage International Scholarship Trust Plan Foundation in administering the Plan. The Plan is currently distributed in the Bahamas, Bermuda, Jamaica and the British Virgin Islands.

(iv) Proven Bank (St. Lucia) Limited (formerly Boslil Bank limited)

Effective October 7, 2022, PGL acquired the remaining 25% shares in Proven Bank St. Lucia Limited from a minority shareholder for US$10.9M by issuing additional PGL shares of 42,300,000.

On November 7th, PGL Transfers 100% of Proven Bank St. Lucia Limited shares to Proven Bank Cayman (formerly FidelityBank Limited) for valuable consideration.

7. Investment in subsidiaries (continued)

(v) With the acquisition of Proven Bank (Cayman) Limited, regulatory approval was required from the Regulator of the jurisdiction, the Cayman Islands Monetary Authority -CIMA ("the Authority") who stipulated as conditional of its approval of the transaction, that the Banking entities within the Group should conform to consolidated supervision by the Authority. This necessitated that Proven Bank (St. Lucia) Limited (formerly Boslil Bank) Limited as a bank within the Group, must fall under its supervision.

This requirement of the Authority and the need to comply, initiated the reorganisation process for separation of the banking and non-banking subsidiaries of PGL under two separate Holding companies, Proven Investments Holdings Limited and Proven Bank Holding Limited.

8. Investment in associate

	2023 $'000	2022 $'000
Carrying amount of interest in associate:		
Access Financial Services Limited [see (ii) below]	4,698	4,968
	4,698	4,968

(i) Disposal of shares in Dream Entertainment Limited

Effective July 9, 2021, the Company disposed of its 20% interest in Dream Entertainment Limited.

(ii) Interest in Access Financial Services Limited

The Company's shareholdings in Access Financial Services Limited represents 24.72% of that entity. Access Financial Services Limited is listed entity on the Jamaica Stock Exchange. As at March 31, 2023, the fair value of the Company's investment was $11,525,000 (2022: $8,872,000).

9. Owed by/(to) related parties

	2023 $'000	2022 $'000
Owed by subsidiaries - current account	10,452	2,627
Owed to other related parties		
Current accounts	(215)	(275)
Dividend payable	-	(2,550)
	(215)	(2,825)

Current accounts for other related parties represent accrued management fees and amounts payable to Proven Management Limited. These amounts are payable on demand without interest.

10. Notes and loans payable

	2023 $'000	2022 $'000
Structured notes [see (i) below]	154,811	134,798
Short-term loan [see (ii) below]	5,000	10,025
	159,811	144,823

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

(ii) Short term loan represents credit line facility provided by Proven Bank (St. Lucia) Limited to the Company. The facility has a fixed coupon rate of 5% to be paid at the maturity date, September 12, 2023 (2022: 4.75% to be paid at the maturity date, January 26, 2023) [(note 20(e)].

11. Other liabilities

	2023 $'000	2022 $'000
Interest payable	726	631
Accrued charges	350	383
Other	1,589	1,388
	2,665	2,402

12. Preference shares

	2023 $'000	2022 $'000
Liability:		
Manager's preference shares [see (a)]	1	1

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

(i) the shares rank *pari passu* as between and among themselves;

(ii) each share is entitled to a cumulative annual preference dividend equal to:

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

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

12. Preference shares (continued)

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

(iii) Apart from the right to the cumulative annual preference dividend, the 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.

13. Share capital

	2023 $'000	2022 $'000
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

	2023 Units	2022 Units	2023 $'000	2022 $'000
Issued and fully paid:				
Ordinary shares (a)	801,732,000	759,432,000	125,961	115,754
Manager's Preference Shares (b)	10,000	10,000	1	1
			125,962	115,755
Less: Preference shares classified as liability (see note 12)			(1)	(1)
			125,961	115,754

(a) On October 6, 2022, the Board of Directors passed a resolution for the agreement of sale and transfer of shares for the purchase of the 25% non-controlling interest in Proven Bank (St. Lucia) Limited (formerly Boslil Bank Limited). The Company settled its obligation to pay the purchase price by the issue of 42,300,000 newly issued ordinary shares.

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.

(b) The rights and entitlements of the holders of the preference shares are set out in note 12.

14. 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.

15. Net interest expense

	2023 $'000	2022 $'000
Interest income, computed using the effective interest method:		
GOJ benchmark investment notes	4	156
Regional and corporate bonds	360	301
Global bonds	194	229
Corporate note	1,275	1,774
Other	140	81
	1,973	2,541
Interest expense, computed using the effective interest method:		
Interest on margin loans	-	2
Notes payable	3,374	2,880
Other	3,012	1,018
	6,386	3,900
Net interest expense	(4,413)	(1,359)

16. Net fair value adjustments and realised gains

	2023 $'000	2022 $'000
Unrealised fair value (losses)/gains on equity securities	(899)	97

17. Staff costs

	2023 $'000	2022 $'000
Directors' fees [see note 20(d)]	140	115

18. Other operating expenses

	2023 $'000	2022 $'000
Audit fees	248	167
Irrecoverable General Consumption Tax	88	149
Legal and other professional fees	825	2,835
Marketing and advertising	411	194
Miscellaneous	2	12
Management fees (note 20)	2,673	3,304
Irrecoverable income tax withheld	41	35
Commission expenses and fees	100	468
Printing and stationery	33	25
Travelling	138	69
Other operating expenses	196	196
	4,755	7,454

19. Taxation

(a) Income tax is computed at 30% (2022: 1%) of taxable profit for the year as adjusted for tax purposes, and is made up as follows:

	2023 $'000	2022 $'000
Current tax charge:		
Tax charge on current period's profit	-	-

(b) Reconciliation of actual tax expense:

The tax rate for the company is 30% (2022: 1%) of profits. However, the Company made a loss hence no taxes. The actual tax charge for the year is as follows:

	2023 $'000	2022 $'000
Loss before taxation	(6,031)	(5,722)
Computed "expected" tax credit	(1,810)	(57)
Disallowed expense	646	49
Tax free income	(1,467)	(65)
The effect of tax losses not recognised	2,631	73
	-	-

Deferred income tax assets have not been recognised for the tax losses carried forward as management has determined that it is not probable that the assets will be realisable through future taxable profits.

20. 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.

(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 Company or the parent of the Company.

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

(b) Identity of related parties

The Company 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 Company 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 Company, for a fee. The fee is charged at 2% of the Consolidated Average Net Asset Value in the financial year [see note 20(f)]. This entity is considered a related party as it is controlled by Directors of the Company.

	2023 $'000	2022 $'000
Investment management fees paid for the year	2,449	3,029
Fees accrued at end of year	224	275
	2,673	3,304

20. Related party transactions (continued)

(d) Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the relevant activities of the Company, directly or indirectly. Such persons comprise the directors and executive officers (see note 17).

(e) The statement of financial position includes balances, arising in the ordinary course of business, with its directors and key management. These amounts are disclosed in note 9 and 10(ii).

(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 as described in note 1 and note 20 (c):

	2023 $'000	2022 $'000
MPS Holdings Limited		
Dividends paid	-	2,556
Proven Management Limited		
Management fees	2,673	3,304
Proven Bank (St. Lucia) Limited		
Interest paid	374	630

21. Distribution to equity holders

	2022 $'000	2022 $'000
Distribution to ordinary Stockholder per stock unit at 0.31¢ (2022: 0.81¢)	2,440	6,155

22. Financial instruments - risk management

(a) Introduction and overview:

By their nature, the Company’s activities are principally related to the use of financial instruments. The Company’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 Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company'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 Company regularly reviews its risk management policies and systems to reflect changes in markets, products, and emerging best practice.

22. Financial instruments - risk management (continued)

(a) Introduction and overview (continued):

The Board of Directors is ultimately responsible for the establishment and oversight of the Company'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 Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

(b) Credit risk:

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 Company 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 Company uses a provision matrix in applying the simplified model for trade receivables.

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

22. Financial instruments - risk management (continued)

(b) Credit risk (continued):

Management of credit risk attaching to key financial assets (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.

- Debt securities and other financial assets at amortised cost:

	2023 Stage 1 $'000	2022 Stage 1 $'000
Credit grade		
Cash and cash equivalents and resale agreements	6,736	5,099
Other assets	3,399	1,235
	10,135	6,334

- Debt securities at FVOCI:

	2023 Stage 1 $'000	2022 Stage 1 $'000
Credit grade		
Non-investment	7,347	6,833
Expected credit losses	(34)	(31)

- Loans receivable at amortised cost:

	2023		
	Stage 1 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable			
Current	14,528	-	14,528
Over 90 days	-	88	88
	14,528	88	14,616
Loss allowance	(110)	(88)	(198)
Total	14,418	-	14,418

	2022		
	Stage 1 $'000	Stage 3 $'000	Total $'000
Ageing of loans receivable			
Current	29,977	-	29,977
Over 90 days	-	88	88
	29,977	88	30,065
Loss allowance	(151)	(88)	(239)
Total	29,826	-	29,826

22. 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 key judgements and assumptions adopted by the Company in addressing the requirements of IFRS 9 are discussed below:

Credit risk grades

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

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 Company 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 Company does not apply the low credit risk exemption to any other financial instruments.

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

The Company 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.

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

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

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 Company 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, the Company monitors the instruments for up-to-date payment performance against the modified contractual terms as evidence that the criteria for recognising lifetime ECL are no longer met.

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 Company'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 PD and LGD.

In addition to the base economic scenario, the Company considers other possible scenarios and scenario weightings. The Company 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.

Year ended March 31, 2023 (Presented in United States dollars, except as otherwise stated)

22. 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)

Incorporation of forward-looking information (continued)

The economic scenarios used as at March 31, 2023 and 2022, the following key indicators represents scores used to adjust the forward-looking information for Jamaica for the years 2024 to 2023:

	2024	2023
Unemployment rates		
Base	20%	18%
Upside	30%	29%
Downside	39%	38%
Interest rates		
Base	31%	27%
Upside	31%	29%
Downside	19%	19%
GDP Growth		
Base	27%	27%
Upside	21%	29%
Downside	24%	25%
Inflation rates		
Base	21%	27%
Upside	17%	14%
Downside	19%	19%

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 Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company'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.

22. 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)

Measurement of ECL

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

Lifetime PD models calculate probabilities of default at a minimum of an annual frequency 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 Company 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.

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 and loans receivable at amortised cost:

	2023	
	Stage 1 $'000	Stage 3 $'000
Balance at April 1	151	88
Re-measurement of loss allowance	(41)	-
Balance at March 31	110	88

22. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

Measurement of ECL (continued)

Loss allowance (continued)

- Debt securities and loans receivable at amortised cost (continued):

	2022	
	Stage 1 $'000	Stage 3 $'000
Balance at April 1	218	88
Re-measurement of loss allowance	(67)	-
Balance at March 31	151	88

- Debt securities at FVOCI:

	2023	2022
	Stage 1 $'000	Stage 1 $'000
Balance at beginning of year	31	39
Loss allowance from disposal of securities	-	(13)
Loss allowance from acquisition of securities	3	5
Balance at March 31	34	31

(i) Maximum exposure to credit risk:

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

The Company 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.

- Investment securities

  The Company manages the level of risk it undertakes by investing substantially in sovereign debts and counterparties with 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 and regular follow-ups.

22. Financial instruments - risk management (continued)

(b) Credit risk (continued):

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

Measurement of ECL (continued)

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

The Company manages its credit risk exposure as follows (continued):

- Loans receivable

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

(ii) Concentration of credit risk:

There is no significant concentration of credit risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Company 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 Company'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 Company applies include maintaining sufficient cash and marketable securities and monitoring future cash flows and liquidity on a daily basis.

The Company has implemented a Liquidity Risk Response Strategy (including stress testing scenarios) within the Company with portfolios that possess the largest liquidity risk implications.

(i) Liquidity risk management:

The Company'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 including investments in subsidiaries where dividend income is expected to be received;

(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.

22. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(i) Liquidity risk management (continued):

The table below presents the undiscounted cash flows of the Company's financial labilities (both interest and principal cash flows) based on contractual repayment obligations.

	2023						
	0-365 days	1-2 years	2-3 year	Over 3 years	No specific maturity date	Total contractual outflow	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Owed to related parties	-	-	-	-	215	215	215
Notes payable	62,076	99,287	-	7,940	-	169,303	159,811
Preference shares	-	-	-	-	1	1	1
Other liabilities	-	-	-	-	2,665	2,665	2,665
Total financial liabilities	62,076	99,287	-	7,940	2,881	172,184	162,692

	2022						
	0-365 days	1-2 years	2-3 year	Over 3 years	No specific maturity date	Total contractual outflow	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Owed to related parties	-	-	-	-	2,825	2,825	2,825
Notes payable	12,254	137,152	5,584	8,230	-	163,220	144,823
Preference shares	-	-	-	-	1	1	1
Other liabilities	-	-	-	-	2,402	2,402	2,402
Total financial liabilities	12,254	137,152	5,584	8,230	5,228	168,448	150,051

(ii) Reconciliation of movements of liabilities to cash flow arising from financing activities

	2023		
	Structured notes	Short-term loan	Total
Balance at April 1, 2022	134,798	10,025	144,823
Proceeds from borrowings	25,464	5,000	30,464
Repayment of borrowings	(5,451)	(10,025)	(15,476)
Balance at March 31, 2023	154,811	5,000	159,811

	2022			
	Structured notes	Short-term loan	Margin loans	Total
Balance at April 1, 2021	79,917	7,400	188	87,505
Proceeds from borrowings	86,635	2,625		89,260
Repayment of borrowings	(31,754)	-	(188)	(31,942)
Balance at March 31, 2022	134,798	10,025	-	144,823

22. Financial instruments - risk management (continued)

(c) Liquidity risk (continued):

(iii) Reconciliation of movements of dividends paid to cash flow arising from financing activities

	2023
	$'000
Balance as at April 1, 2022	-
Dividend declared	2,440
Divedend paid	(2,440)
Balance as at March 31, 2023	-

	2022
	$'000
Balance as at April 1, 2021	-
Dividend declared	6,155
Divedend paid	(6,155)
Balance as at March 31, 2022	-

(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 Company'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.

(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 is the Jamaica dollar (JMD). The Company 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.

22. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

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

	2023 $'000	2022 $'000
Assets		
Cash and cash equivalents	83,237	221,921
Loans receivable	1,020,265	1,022,065
Resale agreement	-	326,316
Investment securities	200,614	559,358
Due from related party	15,049	-
Other	85,894	10,238
	1,405,059	2,139,898

	2023 $'000	2022 $'000
Liabilities		
Owed to related parties	6,604	332,748
Notes payable	1,828,338	2,237,658
Other	199,736	27,713
	2,034,678	2,598,119
Net position	(629,619)	(458,221)

The Company's transactions that are in Barbados dollars has no foreign currency exposure since there are fixed exchange rates between the Barbados dollar and United States dollar.

Sensitivity to exchange rate movements:

The following indicates the sensitivity to changes in foreign currency exchange rates of the Company's profit and shareholders' equity. The analysis 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 and was done on the same basis as 2022.

	2023		
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:			
JMD	1% Revaluation	41	-

22. Financial instruments - risk management (continued)

(d) Market risk (continued):

(i) Foreign currency risk (continued):

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

Sensitivity to exchange rate movements (continued):

	2022		
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:			
JMD	2% Revaluation	61	-

	2023		
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:			
JMD	4% Devaluation	161	-

	2022		
	% change in currency rate	Effect on profit $'000	Effect on comprehensive income $'000
Currency:			
JMD	8% Devaluation	221	-

(ii) Cash flow and fair value interest rate risk:

Cash flow risk is the risk that the future cash flows of a financial instrtument will fluctuate because of changes iin market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company 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 with that of its financial liabilities; and 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.

Variable rate instruments expose the Company to cash flow interest rate risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk.

22. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Cash flow and fair value interest rate risk (continued):

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.

	2023						
	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	-	-	-	-	-	2,412	2,412
Resale agreement	3,906	149	-	269	-	-	4,324
Investment securities	-	-	472	1,000	5,874	1,787	9,133
Loans receivable	903	120	10,773	1,880	742	-	14,418
Other assets	-	-	-	-	-	3,399	3,399
Owed by subsidiaries	-	-	-	-	-	10,452	10,452
Total assets	4,809	269	11,245	3,149	6,616	18,050	44,138
Liabilities							
Owed to related Parties	-	-	-	-	-	215	215
Notes payable	-	4,954	50,839	97,582	6,436	-	159,811
Other liabilities	-	-	-	-	-	2,665	2,665
Preference shares	-	-	-	-	-	1	1
Total liabilities	-	4,954	50,839	97,582	6,436	2,881	162,692
Interest rate sensitivity gap	4,809	(4,685)	(39,594)	(94,433)	180	15,169	(118,554)
Cumulative interest rate sensitivity gap	4,809	124	(39,470)	(133,903)	(133,723)	(118,554)	-

22. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

	2022						
	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	-	-	-	-	-	2,973	2,973
Resale agreement	2,126	-	-	-	-	-	2,126
Investment securities	-	-	650	449	5,736	4,813	11,648
Loans receivable	6,517	-	11,669	10,738	902	-	29,826
Other assets	-	-	-	-	-	1,235	1,235
Owed by subsidiaries	-	-	-	-	-	2,627	2,627
Total assets	8,643	-	12,319	11,187	6,638	11,648	50,435
Liabilities							
Owed to related parties	-	-	-	-	-	2,825	2,825
Notes payable	-	-	10,025	128,362	6,436	-	144,823
Other liabilities	-	-	-	-	-	2,402	2,402
Preference shares	-	-	-	-	-	1	1
Total liabilities	-	-	10,025	128,362	6,436	5,228	150,051
Interest rate sensitivity gap	8,643	-	2,294	(117,175)	202	6,420	(99,616)
Cumulative interest rate sensitivity gap	8,643	8,643	10,937	(106,238)	(106,036)	(99,616)	-

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

	2023		2022	
	JMD %	USD %	JMD %	USD %
Assets				
Investment securities	-	3.03	3.50	11.00
Loans receivable	7.55	1.78	12.00	9.00
Liabilities				
Notes payable	3.89	3.90	4.25	4.71

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on profit or loss and other components of equity. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on the floating rate of financial assets and financial liabilities. The sensitivity of other ocmponents of equity is calculated by revaluing fixed rate FVOCI for the effects fo the assumed changes in interest rates.

22. Financial instruments - risk management (continued)

(d) Market risk (continued):

(ii) Interest rate risk (continued):

Interest rate sensitivity (continued)

	2023	
	Effect on net profit $'000	Effect on comprehensive income $'000
Change in basis points:		
Decrease 50 basis points	(109)	(109)
Increase 100 basis points	1,591	1,591

	2022	
	Effect on net profit $'000	Effect on comprehensive income $'000
Change in basis points:		
Decrease 50 basis points (USD)	(801)	(801)
Increase 150 basis points (USD)	1,503	1,503
Decrease 50 basis points (JMD)	(106)	(106)
Increase 30 basis points (JMD)	240	240

(iii) Price risk:

Sensitivity to equity price movements

Equity price risk arises from equity securities held by the Company 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 Company's investment strategy is to maximize risk-adjusted investment returns.

The Company's exposure to price risk is represented by the total carrying value of equity investments on the statement of financial position of $1,227,000 (2022: $4,063,000).

A 6% (2022: 5%) change in stock prices at March 31, 2023 would have impacted profit by $73,600 (2022: $193,600).

22. Financial instruments - risk management (continued)

(e) Capital management:

The Company's objectives when managing capital are as follows:

(i) To comply with the capital requirements set by the Financial Services Regulatory Authority ('the Authority) in St. Lucia.

(ii) To safeguard the Company'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 Authority. The required information is filed with the Authority on a quarterly basis.

The Company complied with the capital requirements set by the regulators. There were no changes in how the Company measures and manages capital during the year.

(f) 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.

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.

23. Financial instruments – fair values

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

Type	Valuation techniques
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.
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.
Unit Trust	• 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.

(b) Accounting classifications and fair values:

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

23. Financial instruments – fair values (continued)

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

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 Company does not disclose the fair value of cash and cash equivalents, loans receivable, other assets, owed by subsidiaries, owed to related parties, notes payable, other liabilities and preference shares because the carrying amounts of these financial instruments are a reasonable approximation of fair values.

	2023					
	Carrying amount			Fair value		
	FVOCI	Fair value through profit or loss	Total	Level 1	Level 2	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value						
Global bonds	3,230	-	3,230	-	3,230	3,230
Corporate bonds	4,117	-	4,117	-	4,117	4,117
Quoted equities	-	1,333	1,333	1,333	-	1,333
Private equity funds	-	453	453	-	453	453
	7,347	1,786	9,133	1,333	7,800	9,133

	2022					
	Carrying amount			Fair value		
	FVOCI	Fair value through profit or loss	Total	Level 1	Level 2	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value						
Global bonds	3,354	-	3,354	-	3,354	3,354
Corporate bonds	3,479	-	3,479	-	3,479	3,479
Quoted equities	-	3,872	3,872	3,872	-	3,872
Private equity funds	-	443	443	-	443	443
Unit trust	-	500	500	-	500	500
	6,833	4,815	11,648	3,872	7,776	11,648

Notes

Notes

Form of Proxy

PROVEN GROUP LIMITED

I/We ____ of ________________________________ being a Member of the above Company, hereby appoint ______________________________ of ______________________________ as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting to be held at Cnr. Flamboyant Drive & Almond Road, Rodney Bay, Gros Islet, St. Lucia on October 10, 2023 and at any adjournment thereof.

Please indicate by inserting a cross in the appropriate box how you wish your votes to be cast.

Unless otherwise instructed, the Proxy will vote as he/she thinks fit.

RESOLUTION	FOR	AGAINST
NO. 1		
NO. 2		
NO. 3		
NO. 4		

IN WITNESS WHEREOF I set my hand this _______ day of ____________________ , 2023.

____
Signature

The instrument appointing a proxy shall be produced at the place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. A corporation may execute a form of proxy under the hand of a duly authorised officer of such corporation.