KPMG
Chartered Accountants
Unit #14, Fairview Office Park
Alice Eldemire Drive
Montego Bay
Jamaica, W.I.

P.O. Box 220
Montego Bay
Jamaica, W.I.
Telephone +1 (876) 684-9922
Fax +1 (876) 684-9927
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the financial statements

We have audited the financial statements of Caribbean Producers (Jamaica) Limited ("company") comprising the separate financial statements of the company and the consolidated financial statements of the company and its subsidiaries ("group"), set out on pages 3 to 36, which comprise the consolidated and separate statements of financial position as at June 30, 2015, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT

To the Members of
CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at June 30, 2015, and of the group's and the company's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

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

KPMG

Chartered Accountants
Montego Bay, Jamaica

August 26, 2015

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Statement of Financial Position
June 30, 2015
(Presented in United States dollars)

	Notes	Group 2015	Group 2014	Company 2015	Company 2014
CURRENT ASSETS					
Cash and cash equivalents	3	3,049,479	2,995,323	2,884,162	2,898,278
Accounts receivable	4	12,121,195	13,576,049	11,246,231	12,632,405
Inventories	5	23,899,084	18,597,746	21,109,656	18,538,109
		39,069,758	35,169,118	35,240,049	34,068,792
CURRENT LIABILITIES					
Bank overdraft	3	188,047	-	188,047	-
Short-term loans	6	4,925,000	6,325,000	4,925,000	6,325,000
Accounts payable	7	6,558,319	4,836,873	5,674,473	4,692,476
Short-term promissory notes	8	4,317,794	4,317,794	4,317,794	4,317,794
Current portion of long-term borrowings	16	523,444	365,695	513,692	356,681
Taxation payable		175,753	177,180	175,753	177,180
		16,688,357	16,022,542	15,794,759	15,869,131
NET CURRENT ASSETS		22,381,401	19,146,576	19,445,290	18,199,661
NON-CURRENT ASSETS					
Investments		71,584	42,620	71,584	42,620
Interest in subsidiary	9	-	-	2,760,222	756,176
Interest in joint venture	10	159,186	219,786	159,186	219,786
Deferred tax asset	11	258,650	95,508	159,057	95,508
Property, plant and equipment	12	13,252,428	11,651,896	11,352,960	11,083,333
Intangible asset	13	19,070	-	-	-
		13,760,918	12,009,810	14,503,009	12,197,423
		$36,142,319	31,156,386	33,948,299	30,397,084
EQUITY					
Share capital	14	4,898,430	4,898,430	4,898,430	4,898,430
Accumulated surplus		13,969,969	11,289,402	14,094,241	11,298,901
Equity attributable to shareholders		18,868,399	16,187,832	18,992,671	16,197,331
Non-controlling interest		(109,215)	-	-	-
		18,759,184	16,187,832	18,992,671	16,197,331
NON-CURRENT LIABILITIES					
Long-term promissory notes	15	9,324,012	9,439,537	9,324,012	9,439,537
Long-term borrowings	16	5,671,741	4,810,093	5,631,616	4,760,216
Due to related company	17	2,387,382	718,924	-	-
		17,383,135	14,968,554	14,955,628	14,199,753
		$36,142,319	31,156,386	33,948,299	30,397,084

The financial statements on pages 3 to 36 were approved for issue by the Board of Directors on August 26, 2015 and signed on its behalf by:

_________________ Director
Mark Hart

_________________ Director
Theresa Chin

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

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended June 30, 2015
(Presented in United States dollars)

	Notes	Group 2015	Group 2014	Company 2015	Company 2014
Gross operating revenue	18	86,850,246	79,006,082	82,813,467	78,640,379
Cost of operating revenue		(62,125,820)	(56,075,293)	(59,380,988)	(55,818,833)
Gross profit		24,724,426	22,930,789	23,432,479	22,821,546
Selling and administration expenses		(17,590,656)	(15,969,831)	(16,136,788)	(15,854,853)
Depreciation and amortisation	12,13	(2,164,373)	(1,759,632)	(1,985,747)	(1,737,153)
Other operating income, net	19(a)	362,102	294,254	340,719	274,318
Operating profit		5,331,499	5,495,580	5,650,663	5,503,858
Finance income	19(b)	3,609	679	3,609	679
Finance costs	19(c)	(2,026,066)	(1,985,704)	(2,021,649)	(1,984,483)
Share of loss in joint venture	10	(37,652)	(58,797)	(37,652)	(58,797)
Profit before taxation	19(d)	3,271,390	3,451,758	3,594,971	3,461,257
Taxation	20	163,142	7,055	63,549	7,055
Profit for the year, being total comprehensive income		$ 3,434,532	3,458,813	3,658,520	3,468,312
Attibutable to:					
Shareholders		3,543,747	3,458,813	3,658,520	3,468,312
Non-controlling interest		(109,215)	-	-	-
		$ 3,434,532	3,458,813	3,658,520	3,468,312
Earnings per stock unit	21	0.32¢	0.31¢	0.33¢	0.32¢

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

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Statement of Changes in Equity
Year ended June 30, 2015
(Presented in United States dollars)

	Share capital (note 14)	Accumulated surplus	Non-controlling interest	Total
	Group			
Balances at June 30, 2013	4,898,430	8,141,904	-	13,040,334
Profit for the year, being total comprehensive income	-	3,458,813	-	3,458,813
Transaction recorded directly in equity: Dividends (note 25)	-	(311,315)	-	(311,315)
Balances at June 30, 2014	4,898,430	11,289,402	-	16,187,832
Profit for the year, being total comprehensive income	-	3,543,747	(109,215)	3,434,532
Transaction recorded directly in equity: Dividends (note 25)	-	(863,180)	-	(863,180)
Balances at June 30, 2015	$4,898,430	13,969,969	(109,215)	18,759,184
	Company			
Balances at June 30, 2013	4,898,430	8,141,904	-	13,040,334
Profit for the year, being total comprehensive income	-	3,468,312	-	3,468,312
Transaction recorded directly in equity: Dividends (note 25)	-	(311,315)	-	(311,315)
Balances at June 30, 2014	4,898,430	11,298,901	-	16,197,331
Profit for the year, being total comprehensive income	-	3,658,520	-	3,658,520
Transaction recorded directly in equity: Dividends (note 25)	-	(863,180)	-	(863,180)
Balances at June 30, 2015	$4,898,430	14,094,241	-	18,992,671

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

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Statement of Cash Flows
Year ended June 30, 2015
(Presented in United States dollars)

	Group		Company	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	3,543,747	3,458,813	3,658,520	3,468,312
Adjustments for:				
Depreciation and amortisation	2,164,373	1,759,632	1,985,747	1,737,153
Share of loss in joint venture	37,652	58,797	37,652	58,797
(Gain)/loss on disposal of property, plant and equipment	(19,967)	8,985	(19,967)	8,985
Interest income	(3,609)	(679)	(3,609)	(679)
Interest expense	2,026,066	1,985,704	2,021,649	1,984,483
Non controlling interest	(109,215)	-	-	-
Taxation	(163,142)	(7,055)	(63,549)	(7,055)
	7,475,905	7,264,197	7,616,443	7,249,996
Decrease/(increase) in current assets:				
Accounts receivable	1,454,854	(2,483,854)	1,386,174	(1,540,210)
Inventories	(5,301,338)	(640,972)	(2,571,547)	(581,335)
Increase/(decrease) in current liability:				
Accounts payable	1,728,934	(608,229)	989,485	(751,405)
Cash generated from operations	5,358,355	3,531,142	7,420,555	4,377,046
Interest paid	(2,033,554)	(2,022,246)	(2,029,137)	(2,022,246)
Tax paid	(1,427)	(380)	(1,427)	(380)
Net cash provided by operating activities	3,323,374	1,508,516	5,389,991	2,354,420
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment	(28,964)	(42,620)	(28,964)	-
Interest in subsidiary	-	-	(2,004,046)	(756,176)
Interest in joint venture	22,948	(56,652)	22,948	(56,652)
Additions to property, plant and equipment and intangible asset	(3,791,663)	(2,602,866)	(2,263,062)	(2,054,444)
Proceeds from disposal of property, plant and equipment	27,655	190,894	27,655	190,894
Interest received	3,609	679	3,609	679
Net cash used by investing activities	(3,766,415)	(2,510,565)	(4,241,860)	(2,675,699)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(863,180)	(311,315)	(863,180)	(311,315)
Promissory notes received	7,970	799,785	7,970	799,785
Promissory notes repaid	(123,495)	(1,002,387)	(123,495)	(1,002,387)
Long-term/short-term borrowings received	11,467,956	11,599,189	11,467,956	11,540,298
Due to related company	1,668,458	718,924	-	-
Long-term/short-term borrowings repaid	(11,848,559)	(10,934,130)	(11,839,545)	(10,934,130)
Net cash provided/(used) by financing activities	309,150	870,066	(1,350,294)	92,251
Net decrease in cash and cash equivalents	(133,891)	(131,983)	(202,163)	(229,028)
Cash and cash equivalents at beginning of the year	2,995,323	3,127,306	2,898,278	3,127,306
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	$ 2,861,432	2,995,323	2,696,115	2,898,278
Comprised of:				
Cash and cash equivalents	3,049,479	2,995,323	2,884,162	2,898,278
Bank overdraft	(188,047)	-	(188,047)	-
	$ 2,861,432	2,995,323	2,696,115	2,898,278

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

1. Identification

Caribbean Producers (Jamaica) Limited ("company" or "parent company") is incorporated under laws of and domiciled in Jamaica. Its registered office is situated at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company's principal activities during the year were the wholesaling and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

The company's shares are listed on the Junior Market of the Jamaica Stock Exchange.

The company and its subsidiaries are collectively referred to as "the group".

As at June 30, 2015, the company held 100% of the issued share capital of CPJ Investments Limited, a company incorporated on September 16, 2013. CPJ Investments Limited's principal activity is holding a 51% investment in CPJ (St. Lucia) Limited, a company whose principal activity is the wholesaling and distribution of food and beverages and the distribution of non-food supplies. Both companies are incorporated and domiciled in St. Lucia.

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

(a) Statement of compliance:

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

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

During the year, certain new standards, interpretations and amendments to existing standards became effective. The adoption of these standards and amendments did not have a significant impact on the financial statements.

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

At the date of authorisation of the financial statements, there were certain standards and interpretations which were in issue but were not yet effective. Those which management consider relevant to the group and their effective dates as follows:

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

  - specific single disclosures that are not material do not have to be presented even if they are a minimum requirement of a standard;

  - the order of notes to the financial statements is not prescribed. Instead, entities can choose their own order;

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

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

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- IAS *1 Presentation of Financial Statements* (cont'd)

  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Lines items can be aggregated if they are not material;

  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and

  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

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

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2017, replaces IAS 11-*Construction Contracts*, IAS 18 -*Revenue*, IFRIC 13 -*Customer Loyalty Programmes,* IFRIC 15 -*Agreements for the Construction of Real Estate*, IFRIC 18- *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

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

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

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- IFRS 15, *Revenue From Contracts With Customers* (cont'd)

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

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

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured.

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

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

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

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

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

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

New, revised and amended standards and interpretations issued but not yet effective (cont'd):

- Amendments to IFRS 10, *Consolidated Financial Statements,* and IAS 28, *Investments in Associates and Joint Ventures,* in respect of Sale or Contribution of Assets between an Investor and its Associate or Joint venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognized when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations*.

- *Improvements to* IFRS *2012-2014* cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the group are as follows:

  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group – i.e., reclassifies an asset or disposal group from held-for-distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognizes any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognized in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

  - IAS 34 *Interim Financial Reporting,* has been amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

The group is assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

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

(b) Basis of preparation:

The financial statements are prepared under the historical cost convention, and are presented in United States dollars (US$), which is the company's functional currency.

In the prior year, consolidated financial statements dealing with the financial statements of Caribbean Producers (Jamaica) Limited and its subsidiaries were not prepared as the operating results, assets, liabilities and cash flows of the subsidiaries were not material. The financial statements provide comparative information in respect of the group's previous period on the same basis as the current period.

(c) Basis of consolidation:

(i) A "subsidiary" is an enterprise controlled by the company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the company and its subsidiaries (note 1), made up to June 30, 2015.

(ii) Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

(iv) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(v) Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

(d) Use of estimates and judgements:

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

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

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

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

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

(i) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from receivables, caused for example, by default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are observable on significant receivables with similar characteristics, such as credit risks.

(ii) Net realisable value of inventories:

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

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

(iii) Judgement in evaluation of contingencies:

For a contingent liability to qualify for recognition there must be a present obligation and the probability of an outflow of economic benefits to settle that obligation. In recognising contingent liabilities of the group, management determines the possibility of an outflow of resources and makes estimates of expenditure required to settle the present obligation at the reporting date.

No provision is made if management considers the possibility of any outflow in settlement to be remote.

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

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

(iv) Residual value and expected useful life of property plant and equipment:

The residual value and the expected useful life of an asset are reviewed at least at each reporting date, and, if expectations differ from previous estimates, the change is accounted for prospectively. The useful life of an asset is defined in terms of the asset's expected utility to the company and its subsidiaries.

(e) Cash and cash equivalents:

This comprises cash and bank balances, and short-term deposits maturing within three months or less from the date of deposit or acquisition that are readily convertible into known amounts of cash and which are not subject to significant risk of changes in value.

Bank overdrafts that form an integral part of the group's cash management for financing operation are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Accounts receivable:

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

(g) Inventories:

Inventories are valued at the lower of cost, determined on the weighted average basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

The cost of raw materials, labour and appropriate allocations for overhead expenses are included in manufactured finished goods.

(h) Property, plant and equipment:

(i) Recognition and measurement:

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

(h) Property, plant and equipment (cont'd):

(ii) Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the group.

(iii) Depreciation:

Depreciation is recognised in profit or loss on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. No depreciation is charged on construction in progress. The depreciation rates are as follows:

Leasehold improvements	10% and 20%
Furniture, fixtures and equipment	10% and 20%
Computer equipment	33.33%
Motor vehicles	20%

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

(i) Intangible asset:

Intangible asset, which represents computer software, is deemed to have a finite useful life of three years and is measured at cost, less accumulated amortization and impairment losses, if any.

(j) Accounts payable:

Trade and other payables are stated at amortised cost.

(k) Provisions:

A provision is recognised when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risk specific to the obligation.

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

(l) Related parties:

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

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

(i) has control or joint control over the company;

(ii) has significant influence over the company; or

(iii) is a member of the key management personnel of the company or of a parent of the company.

(b) An entity is related to the company if any of the following conditions applies:

(i) 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).

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

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

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

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

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

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

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

(m) Revenue recognition:

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

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

(n) Expenses/income:

(i) Expenses:

Expenses are recognised in profit or loss on the accrual basis.

(ii) Finance costs:

Finance costs comprise interest payable on borrowings calculated using the effective interest method and material bank overdraft interest.

(iii) Finance income:

Finance income comprises interest earned on funds invested and is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(o) Operating lease payments:

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

(p) Taxation:

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

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

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

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

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

(q) Impairment:

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

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

(q) Impairment (cont'd):

(i) Calculation of recoverable amount:

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

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

(ii) Reversals of impairment:

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

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(r) Interest-bearing borrowings:

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

(s) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Monetary assets and liabilities denominated in other currencies at the reporting date are translated to United States dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are included in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

(t) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets have been determined to include cash and cash equivalents, accounts receivable and investments. Financial liabilities include bank overdraft, short-term loans, accounts payable, short-term and long-term promissory notes and long-term borrowings.

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

(u) Determination of fair value:

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. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The company's financial instruments lack an available trading market. Further, the company has no financial instruments that are carried at fair value. The carrying value of the company's financial instruments approximates their fair value.

(v) Interest in subsidiary:

Interest in subsidiary is stated at cost, less provision for impairment, if any.

(w) Interest in joint venture:

This represents entities or operations over which the company, by virtue of a joint venture agreement, exercises joint control with one or more entities. Interest in joint venture is accounted for using the equity method in accordance with IFRS 11 *Joint Arrangements*, whereby the investment is recognised initially at cost and thereafter the carrying amount is increased or reduced by the company's share of profits or losses after the acquisition date.

(x) Operating segments:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Based on the nature of the group's products, processes, customers and distribution systems, management has determined that disclosure of segment information is not applicable to the group.

(y) Transaction costs:

(i) Transaction costs of share issue:

Transaction costs on the issue of shares are deducted from the proceeds of the issue of share capital to the extent the costs are directly attributable to the issue of the shares.

(ii) Debt issuance costs:

Debt issuance costs represent financing and certain related fees associated with securing long-term borrowings. Amortisation is charged to profit or loss on the effective interest basis over the life of the related borrowings.

(Presented in United States dollars)

3. Cash and cash equivalents

	Group 2015	Group 2014	Company 2015	Company 2014
Cash	6,642	6,705	6,054	6,705
Bank balances	2,536,017	2,988,618	2,371,288	2,891,573
Deposits	506,820	-	506,820	-
	3,049,479	2,995,323	2,884,162	2,898,278
Bank overdraft	(188,047)	-	(188,047)	-
	$2,861,432	2,995,323	2,696,115	2,898,278

Bank overdraft represents unpresented cheques. The company has an overdraft facility which attracts interest if drawn upon and is secured as detailed in note 16.

4. Accounts receivable

	Group 2015	Group 2014	Company 2015	Company 2014
Trade receivables	9,731,391	9,904,150	9,089,868	9,818,802
Other receivables	2,421,201	3,727,625	2,187,039	2,869,329
	12,152,592	13,631,775	11,276,907	12,688,131
Less: Allowance for impairment losses	(31,397)	(55,726)	(30,676)	(55,726)
	$12,121,195	13,576,049	11,246,231	12,632,405

Trade receivables include $74,042 (2014: $63,198) for the group and $73,715 (2014: $63,198) for the company due from directors; and $174,615 (2014: $18,332) for the group and the company due from related companies, which are controlled by key management.

Other receivables include $43,508 (2014: $9,346) for the group and the company due from directors; and $734,843 (2014: $734,843) for the group and the company due from related companies, which are controlled by key management.

The aging of trade receivables at the reporting date was:

	Group			
	2015		2014	
	Gross	Impairment	Gross	Impairment
Not past due	7,449,500	-	6,886,769	-
Past due 31- 60 days	1,438,331	-	1,152,424	-
More than 60 days	843,560	31,397	1,864,957	55,726
	$9,731,391	31,397	9,904,150	55,726

(Presented in United States dollars)

4. Accounts receivable (cont'd)

	Company			
	2015		2014	
	Gross	Impairment	Gross	Impairment
Not past due	6,773,131	-	6,801,421	-
Past due 31- 60 days	1,452,049	-	1,152,424	-
More than 60 days	864,688	30,676	1,864,957	55,726
	$9,089,868	30,676	9,818,802	55,726

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Company	
	2015	2014	2015	2014
Balance at beginning of year	55,726	71,000	55,726	71,000
Amounts written off	(52,878)	(52,138)	(52,878)	(52,138)
Amount provided during the year	28,549	36,864	27,828	36,864
Balance at end of year	$31,397	55,726	30,676	55,726

5. Inventories

	Group		Company	
	2015	2014	2015	2014
Goods held for resale – duty paid	18,406,564	14,549,242	16,113,448	14,489,605
Goods held in bonded warehouse	480,067	496,846	330,753	496,846
Goods in transit	3,298,536	1,746,931	2,993,729	1,746,931
Raw materials	1,309,898	1,484,238	1,303,776	1,484,238
Others	404,019	320,489	367,950	320,489
	$23,899,084	18,597,746	21,109,656	18,538,109

During the year, expenses relating to inventory write-offs amounted to $925,968 (2014: $679,008) for the group and $821,356 (2014: $679,008) for the company.

6. Short-term loans

These commercial bank loans bear interest at 6.50% (2014: 6.50%) per annum and are repayable on demand. These loans are secured as detailed in note 16.

7. Accounts payable

	Group		Company	
	2015	2014	2015	2014
Trade payables	4,415,133	3,714,462	3,629,756	3,642,527
Other payables	2,143,186	1,122,411	2,044,717	1,049,949
	$6,558,319	4,836,873	5,674,473	4,692,476

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

7. Accounts payable (cont'd)

Trade payables include $2,808 (2014: $288) for the group and $1,871 (2014: $288) for the company due to directors; and $296,627 (2014: $38,200) for the group and $202,117 (2014: $38,200) for the company due to related companies, which are controlled by key management.

Other payables include $69,308 (2014: $62,332) for the group and the company due to related companies, which are controlled by key management.

8. Short-term promissory notes

These promissory notes are repayable with three months notice to the company, are unsecured and bear interest at 6% to 8% per annum (2014: 6% to 8%). This includes $750,000 (2014: $750,000) payable to a related company, which is controlled by key management.

9. Interest in subsidiary

(a) The details of the company's subsidiaries as at June 30, 2015 are as follows:

Company	Principal activity	Percentage of ordinary shares held by company	Place of incorporation
		2015	
CPJ Investments Limited	Holds investment in CPJ (St. Lucia) Limited	100	St. Lucia
CPJ (St. Lucia) Limited	See note 1	51	St. Lucia

(b) Interest in subsidiary comprises:

	Company	
	2015	2014
Shares, at cost	10,000	10,000
Advances	2,750,222	746,176
	$2,760,222	756,176

10. Interest in joint venture

	Group and Company	
	2015	2014
Shares, at cost	77	77
Additional cost of acquisition	406,977	406,977
Advances	102,025	124,973
	509,079	532,027
Less: Share of accumulated losses	(349,893)	(312,241)
	$ 159,186	219,786

The company holds a 50% interest in Caribbean Egg Processors Limited (CEP), a company incorporated to purchase, process and sell eggs, related products and services.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

10. Interest in joint venture (cont'd)

The company has recognised its interest in this joint venture using the equity method and based on information available from the unaudited financial statements of CEP whose reporting date is June 30.

Summary of financial information for CEP is as follows:

	2015 $	2014 $
Non-current assets	28,060	118,190
Current assets [including cash and cash equivalents $6,471 (2014: $5,203]	87,192	106,361
Non-current liabilities	(113,196)	(637,832)
Current liabilities	(635,572)	(141,157)
Net liabilities (100%)	(633,516)	(554,438)
Company's share of net liabilities (50%)	(316,758)	(277,219)
Revenue	62,239	401,273
Depreciation	26,476	41,293
Loss and total comprehensive loss (100%)	(75,304)	(117,594)
Company's share of loss (50%)	(37,652)	(58,797)

11. Deferred tax asset

The deferred tax asset is attributable to differences in tax and financial statement reporting in respect of the following:

	Group				
	2013	Recognised in income [note 20(a)]	2014	Recognised in income [note 20(a)]	2015
Tax effect of losses carried forward	-	-	-	250,872	250,872
Property, plant and equipment	88,453	7,055	95,508	(87,730)	7,778
	$88,453	7,055	95,508	163,142	258,650

	Company				
	2013	Recognised in income [note 20(a)]	2014	Recognised in income [note 20(a)]	2015
Property, plant and equipment	$88,453	7,055	95,508	63,549	159,057

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

12. Property, plant and equipment

	Group					
	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Construction in progress	Total
Cost:						
June 30, 2013	7,037,973	8,061,568	1,283,327	1,355,694	-	17,738,562
Additions	607,695	1,359,676	205,199	430,296	-	2,602,866
Disposals	-	(731,400)	(6,874)	(154,921)	-	(893,195)
June 30, 2014	7,645,668	8,689,844	1,481,652	1,631,069	-	19,448,233
Additions	264,943	1,528,481	371,408	480,880	1,119,866	3,765,578
Disposals	-	(99,974)	(9,800)	(162,061)	-	(271,835)
June 30, 2015	7,910,611	10,118,351	1,843,260	1,949,888	1,119,866	22,941,976
Depreciation:						
June 30, 2013	2,097,341	2,742,434	861,733	1,028,513	-	6,730,021
Charge for the year	674,210	806,196	161,687	117,539	-	1,759,632
Disposals	-	(579,349)	(2,011)	(111,956)	-	(693,316)
June 30, 2014	2,771,551	2,969,281	1,021,409	1,034,096	-	7,796,337
Charge for the year	720,163	968,366	270,565	198,264	-	2,157,358
Disposals	-	(95,126)	(9,800)	(159,221)	-	(264,147)
June 30, 2015	3,491,714	3,842,521	1,282,174	1,073,139	-	9,689,548
Net book values:						
June 30, 2015	$4,418,897	6,275,830	561,086	876,749	1,119,866	13,252,428
June 30, 2014	$4,874,117	5,720,563	460,243	596,973	-	11,651,896

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

12. Property, plant and equipment (cont'd)

	Company					
	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Construction in progress	Total
Cost:						
June 30, 2013	7,037,973	8,061,568	1,283,327	1,355,694	-	17,738,562
Additions	556,163	1,059,194	171,408	225,059	-	2,011,824
Disposals	-	(731,400)	(6,874)	(154,921)	-	(893,195)
June 30, 2014	7,594,136	8,389,362	1,447,861	1,425,832	-	18,857,191
Additions	168,024	456,943	339,022	381,822	917,251	2,263,062
Disposals	-	(99,974)	(9,800)	(162,061)	-	(271,835)
June 30, 2015	7,762,160	8,746,331	1,777,083	1,645,593	917,251	20,848,418
Depreciation:						
June 30, 2013	2,097,341	2,742,434	861,733	1,028,513	-	6,730,021
Charge for the year	674,210	792,891	161,442	108,610	-	1,737,153
Disposals	-	(579,349)	(2,011)	(111,956)	-	(693,316)
June 30, 2014	2,771,551	2,955,976	1,021,164	1,025,167	-	7,773,858
Charge for the year	706,372	861,643	260,515	157,217	-	1,985,747
Disposals	-	(95,126)	(9,800)	(159,221)	-	(264,147)
June 30, 2015	3,477,923	3,722,493	1,271,879	1,023,163	-	9,495,458
Net book values:						
June 30, 2015	$4,284,237	5,023,838	505,204	622,430	917,251	11,352,960
June 30, 2014	$4,822,585	5,433,386	426,697	400,665	-	11,083,333

13. Intangible asset

	Group
	Computer software
Cost:	
Balance at June 30, 2014	-
Addition	26,085
Balance as at June 30, 2015	26,085
Amortisation:	
Charge for the year and balance as at June 30, 2015	7,015
Carrying amount:	
June 30, 2015	$19,070
June 30, 2014	$ -

(Presented in United States dollars)

14. Share capital

Authorised:
176,000,000,000
ordinary shares of no par value

	Group and Company	
	2015	2014
Stated capital, issued and fully paid:		
1,100,000,000 ordinary shares		
of no par value	5,117,611	5,117,611
Less: Transaction costs of share issue	(219,181)	(219,181)
	$4,898,430	4,898,430

15. Long-term promissory notes

	Group		Company	
	2015	2014	2015	2014
Due to related companies				
(controlled by key management) [note (a)]	8,600,000	8,613,000	8,600,000	8,613,000
Due to related company				
(controlled by key management) [note (b)]	650,000	650,000	650,000	650,000
Due to other party [note (a)]	74,012	176,537	74,012	176,537
	$9,324,012	9,439,537	9,324,012	9,439,537

(a) These loans attract interest at 6% to 9% (2014: 6% to 9%) per annum, are unsecured and are not repayable before June 30, 2016 (see note 16).

(b) These loans are unsecured, interest-free, and are not repayable before June 30, 2016.

16. Long-term borrowings

		Group		Company	
		2015	2014	2015	2014
9.5% Bonds	(a)	2,889,232	3,003,506	2,889,232	3,003,506
7% Sagicor Bank Jamaica Limited	(b)	19,459	63,916	19,459	63,916
7% Sagicor Bank Jamaica Limited	(c)	600,000	700,000	600,000	700,000
7% Sagicor Bank Jamaica Limited	(d)	1,200,000	1,400,000	1,200,000	1,400,000
10.5% Sagicor Bank Jamaica Limited	(e)				
[J$11,608,445 (2014: J$12,980,023)]		99,524	116,754	99,524	116,754
11% Sagicor Bank Jamaica Limited	(f)	1,273,772	-	1,273,772	-
[J$148,572,717 (2014: $Nil)]					
10.9% Sagicor Bank Jamaica Limited					
[J$16,289,515 (2014: $Nil)]	(g)	139,656	-	139,656	-
10.9% Sagicor Bank Jamaica Limited					
[J$6,256,483 (2014: $Nil)]	(h)	53,639	-	53,639	-
10.5% Sagicor Bank Jamaica Limited					
[J$2,821,986 (2014: $Nil)]	(i)	24,194	-	24,194	-
8% Royal Bank of Canada	(j)	21,397	25,735	-	-
8% Royal Bank of Canada	(k)	28,480	33,156	-	-
		6,349,353	5,343,067	6,299,476	5,284,176
Less: Current portion		(523,444)	(365,695)	(513,692)	(356,681)
Balance c/fwd		5,825,909	4,977,372	5,785,784	4,927,495

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

16. Long-term borrowings (cont'd)

		Group		Company	
		2015	2014	2015	2014
Balance b/fwd		5,825,909	4,977,372	5,785,784	4,927,495
Debt issuance costs:					
At beginning of the year	(l)	(167,279)	(184,011)	(167,279)	(184,011)
Debt costs amortised during the year		13,111	16,732	13,111	16,732
At the end of the year		(154,168)	(167,279)	(154,168)	(167,279)
		$5,671,741	4,810,093	5,631,616	4,760,216

(a) On April 29, 2013, the company authorised the private placement by way of an exempt distribution under the Guidelines for Exempt Distributions (Guidelines SR-GUID-08/05-0016) of a series of 5-year promissory Bonds ("the Bonds") denominated in Jamaican dollars ("J$") for an aggregate principal amount of up to J$500,000,000. At June 30, 2015, bonds totaling J$337,000,000 (2014: J$337,000,000) were subscribed.

The bonds are secured by 5 year demand debentures over fixed and floating assets of the company.

(b) This represents the balance due on an initial loan of $200,000. The loan is repayable in sixty monthly instalments of principal and interest of $3,960, the final instalment being due on November 2015.

(c) This represents the balance due on an initial loan of $1,000,000. The loan is repayable in one hundred and twenty monthly instalments of principal of $8,333, the final instalment being due in June 2021.

(d) This represents the balance of an initial loan at $2,000,000. The loan is repayable in one hundred and twenty monthly instalments of principal of $16,667, the final instalment being due on June 2021.

(e) This represents the balance due on an initial loan of J$13,195,000. The loan is repayable in eighty-four monthly instalments of principal and interest of J$222,477, the final instalment being due in April 2021. This loan is secured by bills of sale over certain motor vehicles purchased by the company.

(f) This represents the balance due on an initial loan of J$162,006,450. The loan is repayable in eighty-four monthly instalments of principal and interest of J$2,773,945, the final instalment being due on August 2021.

(g) This represents the balance due on an initial loan of J$17,768,000. The loan is repayable in eighty-four monthly instalments of principal and interest of J$303,298, the final instalment being due on August 2021.

16. Long-term borrowings (cont'd)

(h) This represents the balance due on an initial loan of J$6,976,000. The loan is repayable in seventy-two monthly instalments of principal and interest of J$132,425 the final instalment being due on August 2020.

(i) This represents the balance due on an initial loan of J$2,880,006. The loan is repayable in seventy-two monthly instalments of principal and interest of J$54,084 the final instalment being due on August 2021.

(j) This represents the balance due on an initial loan of XCD$70,000. The loan is repayable in fifty-three monthly instalments of XCD$1,420 the final instalment being due on June 2019. The loan is serviced by registered demand Bill of Sale on a motor vehicle and assignment of comprehensive insurance for XCD$93,000.

(k) This represents the balance due on an initial loan of XCD$90,000. The loan is repayable in sixty-three monthly instalments of XCD$1,614, the final instalment being due on April 2020.

(l) This represents costs incurred in obtaining certain long-term borrowings. The costs are being written off over the period of the borrowings on the effective interest basis.

The borrowings at (b) to (i) short-term loans (note 6) and overdraft facility (note 3) are secured by:

- Personal guarantee of a director limited to $10,000,000.
- Demand debentures over fixed and floating assets amounting to $14,112,000 and J$50,000,000.
- First demand mortgage by way of a guarantee over commercial property owned by Freeport Investments Limited, located at Montego Bay Freeport for $1,000,000.
- Subordination agreement in the amount of $6,000,000 in respect of an inter-company loan (see note 15).
- Corporate guarantee of Hull Investment Limited (related party) to cover $2,000,000.
- Acknowledged assignment of insurance polices in the amount of $20,368,802 over commercial properties and other assets.

The borrowings at (j) to (k) are secured by:

- Letter of guarantee and postponement of claims signed by Duboulay's Bottling Company Limited totaling XCD$950,000.

- Customs Bond – subject for cancellation by the relevant authorities.

  Collateral – Guarantee and postponement of claims signed by Duboulay's Bottling Company Limited for XCD$750,000.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

17. Due to related company

The amount is interest-free, unsecured and has no fixed repayment terms.

18. Gross operating revenue

Gross operating revenue represents income from the sale of food, beverages and non-food items for the year.

19. Disclosure of income/(expenses)

	Group		Company	
	2015	2014	2015	2014
(a) Other operating income, net:				
Foreign exchange gains	304,357	266,383	307,049	264,393
Gain/(loss) on disposal of property, plant and equipment	19,967	(8,985)	19,967	(8,985)
Others	37,778	36,856	13,703	18,910
	$ 362,102	294,254	340,719	274,318
(b) Finance income:				
Interest income - third party	$ 3,609	679	3,609	679
(c) Finance costs:				
Interest on promissory notes	1,080,311	1,075,385	1,080,311	1,075,385
Interest on long-term and short term borrowings	903,705	860,517	899,317	859,296
Overdraft interest	42,050	49,802	42,021	49,802
	$2,026,066	1,985,704	2,021,649	1,984,483

(d) Statutory disclosures:

Profit before taxation is stated after charging:

	$	$	$	$
Staff costs	7,923,232	7,281,452	7,402,232	7,222,158
Directors' emoluments	467,734	473,280	467,734	473,280
Auditors' remuneration	40,741	28,074	29,699	28,074

Staff costs include salaries, wages, other staff benefits and emoluments, and the company's payroll contributions.

(Presented in United States dollars)

20. Taxation

(a) Taxation is based on the following:

	Group		Company	
	2015	2014	2015	2014
(i) Tax losses brought forward	(250,872)	-	-	-
(ii) Deferred tax:				
Origination and reversal of temporary differences (note 11)	87,730	(7,055)	(63,549)	(7,055)
Tax credit recognised in profit for the year	$(163,142)	(7,055)	(63,549)	(7,055)

(b) Reconciliation of actual taxation credit:

	Group 2015	Group 2014	Company 2015	Company 2014
Profit before taxation	$3,271,390	3,461,257	3,594,971	3,461,257
Computed "expected" tax charge at 25% (2014: 25%)	799,150	865,314	898,743	865,314
Tax effect of differences between treatment for financial statement and taxation purposes:				
Depreciation and capital allowances	148,045	64,813	148,045	64,813
Other items, net	240,421	93,129	240,421	93,129
Tax remission [note (c)]	(1,350,758)	(1,030,311)	(1,350,758)	(1,030,311)
	$(163,142)	(7,055)	(63,549)	(7,055)

(c) The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on July 20, 2011. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

- Years 2012 to 2016 - 100%
- Years 2017 to 2021 - 50%

(Presented in United States dollars)

21. Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year as follows:

	Group		Company	
	2015	2014	2015	2014
Profit for the year attributable to the shareholders of the company	$ 3,543,747	3,458,813	3,658,520	3,468,312
Weighed average number of ordinary stock units held during the year	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Earnings per stock unit (expressed in ¢ per share)	0.32¢	0.31¢	0.33¢	0.32¢

22. Related party transactions

The profit for the year includes the following (income)/expense and transactions with related parties in the ordinary course of business:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Sales to related companies/directors	(910,374)	(48,489)	(910,374)	(48,489)
Interest expense paid to a related companies	836,591	812,006	836,591	812,006
Rent paid to a related company	168,441	54,795	52,500	51,600
Agency fee paid to a related company	900,000	630,000	900,000	630,000
Compensation for key management:				
Short-term benefits	535,047	457,679	535,047	457,679

Note - related companies represent companies controlled by key management.

23. Lease commitments

At June 30, 2015, there were unexpired operating lease commitments in relation to leasehold property, payable as follows:

	Group		Company	
	2015	2014	2015	2014
Within one year	562,190	438,845	429,686	438,845
Between one and five years	643,514	548,275	113,498	548,275
After five years	4,857,585	-	3,642,965	-
	$6,063,289	987,120	4,186,149	987,120

During the year, the total operating lease expenses recognised in profit or loss amounted to $819,676 (2014: $671,438) for the group and $703,072 (2014: $668,243) for the company.

24. Contingent liabilities

(a) In 2007, the Valuation Audit Unit of the Jamaica Customs Department conducted an audit relating to 2004 and submitted a claim for Special Consumption Tax (SCT) and General Consumption Tax (GCT) amounting to approximately $226,589 (J$26,436,145) to which the company has objected. The directors are of the opinion that it is unlikely that the Revenue Protection Division will prove any significant portion of this claim. Therefore, no provision has been made in the financial statements.

(b) The company has issued counter-indemnities in support of contingent liabilities held with Sagicor Jamaica Limited for amounts totaling $251,600 and $94,775 (J$11,057,345).

(c) During the year the Jamaica Customs Agency conducted an audit relating to the period January 2012 to March 2013 and submitted a claim for additional duties and taxes amounting to $850,520 (J$99,230,194). The company has objected to the claim and management believes no provision is considered necessary at this time.

25. Dividends

On August 27, 2014, the directors declared an interim dividend of J$0.04 per share payable on October 1, 2014 to shareholders on record as at September 10, 2014 with an ex-dividend date of September 8, 2014.

On May 11, 2015, the directors declared an interim dividend of J$0.05 per stock unit payable on July 15, 2015 to shareholders on record as at May 28, 2015 with an ex-dividend date of May 26 2015.

In the prior year, on December 23, 2013, the directors declared a dividend of J$0.03 per share amounting to $311,315.

26. Financial instruments

(a) Financial risk management:

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

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

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

26. Financial instruments (cont'd)

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

(i) Credit risk:

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at the reporting date was represented by the carrying value of financial assets in the statement of financial position.

Cash and cash equivalents

The group limits its exposure to credit risk by placing cash resources with substantial counterparties who are believed to have minimal risk of default.

Accounts receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The group does not require collateral in respect of trade and other receivables.

Trade receivables mainly consist of balances due from retail and hospitality customers across Jamaica. Apart from the concentration of customers in Jamaica, the group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowances for impairment losses are based on the ageing of the receivables, with allowance made for balances outstanding for over 180 days that appear to be uncollectable. The company also provides for receivables that are overdue for less than this time period, based on information that the receivable balance is uncollectible.

There were no changes in the group's approach to managing credit risk during the year.

(ii) Liquidity risk:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. Liquidity risk may result from an inability to sell a financial asset at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management of the group manages liquidity risk by maintaining adequate liquid financial assets with appropriate terms and currencies, together with committed financing to meet all contractual obligations and operational cash flows, including the servicing of its long-term liabilities.

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Notes to the Financial Statements (Continued)
June 30, 2015
(Presented in United States dollars)

26. Financial instruments (cont'd)

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

(ii) Liquidity risk (cont'd):

The following are the contractual maturities of financial liabilities measured at amortised cost, including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay.

	Group 2015			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Bank overdraft	188,047	188,047	188,047	-
Short-term loans	4,925,000	5,245,125	5,245,125	-
Accounts payable	6,558,319	6,558,319	6,558,319	-
Short-term promissory notes	4,317,794	4,653,429	4,653,429	-
Long-term promissory notes	9,324,012	10,827,854	-	10,827,854
Long-term borrowings	6,195,185	7,843,870	692,130	7,151,740
Due to related company	2,387,382	2,387,382	-	2,387,382
Total financial liabilities	$33,895,739	37,704,026	17,337,050	20,366,976

	Company 2015			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Bank overdraft	188,047	188,047	188,047	-
Short-term loans	4,925,000	5,245,125	5,245,125	-
Accounts payable	5,674,473	5,674,473	5,674,473	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,324,012	10,827,854	-	10,827,854
Long-term borrowings	6,145,308	7,776,351	678,387	7,097,964
Total financial liabilities	$30,574,634	34,365,278	16,439,460	17,925,818

	Group 2014			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Short-term loans	6,325,000	6,736,125	6,736,125	-
Accounts payable	4,836,873	4,836,873	4,836,873	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,439,537	10,957,017	-	10,957,017
Long-term borrowings	5,175,788	7,228,061	498,443	6,729,618
Due to related company	718,924	718,924	-	718,924
Total financial liabilities	$30,814,016	35,130,428	16,724,869	18,405,559

(Presented in United States dollars)

26. Financial instruments (cont'd)

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

(ii) Liquidity risk (cont'd):

	Company			
	2014			
	Carrying amount	Contractual cash flows	1 year or less	2-9 years
Short-term loans	6,325,000	6,736,125	6,736,125	-
Accounts payable	4,692,476	4,692,476	4,692,476	-
Short-term promissory notes	4,317,794	4,653,428	4,653,428	-
Long-term promissory notes	9,439,537	10,957,017	-	10,957,017
Long-term borrowings	5,116,897	7,143,666	483,980	6,659,686
Total financial liabilities	$29,891,704	34,182,712	16,566,009	17,616,703

There were no changes to the group's approach to liquidity risk management during the year.

(iii) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates and foreign exchange rates and will affect the group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets. The nature of the group's exposures to market risk and its objectives, policies and processes for managing these risks have not changed significantly over the prior year. For each of the major components of market risk, the group has policies and procedures in place which detail how the risk is managed and monitored. The management of each of these major components of market risk and the exposure of the company at the reporting date to each major risk are addressed below.

Derivative financial instruments are not used to reduce exposure to fluctuations in interest and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group materially contracts financial liabilities at fixed interest rates. These primarily relate to bank overdrafts and loans which are subject to interest rates fixed in advance, but which may be varied with appropriate notice by the lenders. At the reporting date, financial liabilities subject to interest, aggregated $24,284,203 (2014: $24,775,498) for the group and $24,234,326 (2014: $24,716,507) for the company.

(Presented in United States dollars)

26. Financial instruments (cont'd)

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

(iii) Market risk (cont'd):

Interest-bearing financial assets are primarily represented by cash and cash equivalents, which are contracted at various interest rates. At the reporting date, financial assets subject to third party interest is $623,338 (2014: $636,860).

Sensitivity analysis

At the reporting date, the group only has fixed-rate financial assets and liabilities carried at amortised cost. Therefore, changes in market interest rates will neither affect the cash flow nor the carrying amount of the instruments.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company incurs foreign currency risk primarily on receivables, purchases and borrowings that are denominated in a currency other than the United States dollar. The principal foreign currency risks of the company are denominated in Jamaica dollar (J$).

The company ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in J$ as a hedge against adverse fluctuations in exchange rates.

At the reporting date, net foreign currency liabilities of the group and the company are as follows:

	Group and Company	
	2015	2014
	J$	J$
Cash and cash equivalents	88,274,949	77,618,309
Accounts receivable	46,306,610	57,130,216
Bank overdraft	(21,878,836)	-
Accounts payable	(234,812,800)	(163,564,681)
Long-term borrowings	(543,053,485)	(349,980,023)
Net foreign currency liabilities	(665,163,562)	(378,796,179)

Exchange rates for the J$ in comparison to the United States dollar, were:

	J$
June 30, 2015:	$116.67
June 30, 2014:	$112.20

(Presented in United States dollars)

26. Financial instruments (cont'd)

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

(iii) Market risk (cont'd):

Sensitivity analysis

Changes in exchanges rates would have the effect described below:

	Group and Company Increase/(decrease) in profit for the year	
	2015 US$	2014 US$
1% (2014: 1%) strengthening against the US$	(57,015)	(33,761)
8% (2014: 15%) weakening against the US$	456,117	506,412

The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is done on the same basis as for 2014.

(b) Capital risk management:

The company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders. The directors of the company seek to maintain a strong capital base so as to maintain shareholder and creditor confidence. The group defines capital as total shareholders' equity.

Management of the company is responsible for monitoring the company's adherence to loan covenants on a timely basis and also to obtain relevant approvals from the bank before certain decisions are finalised.

There were no changes in the group's approach to capital management during the year.

(c) Fair value disclosures:

The fair values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings are assumed to approximate their carrying values due to their relatively short-term nature. Long-term borrowings and promissory notes are carried at their contracted settlement value based on commercial terms. Amounts due to related companies are considered to approximate their carrying value due to their short-term nature, and/or an ability to effect future set-offs in the amounts disclosed.

27. Subsequent event

Subsequent to the year end, the company accepted an offer from its joint venture partner, for the sale of the company's 50% interest in CEP.