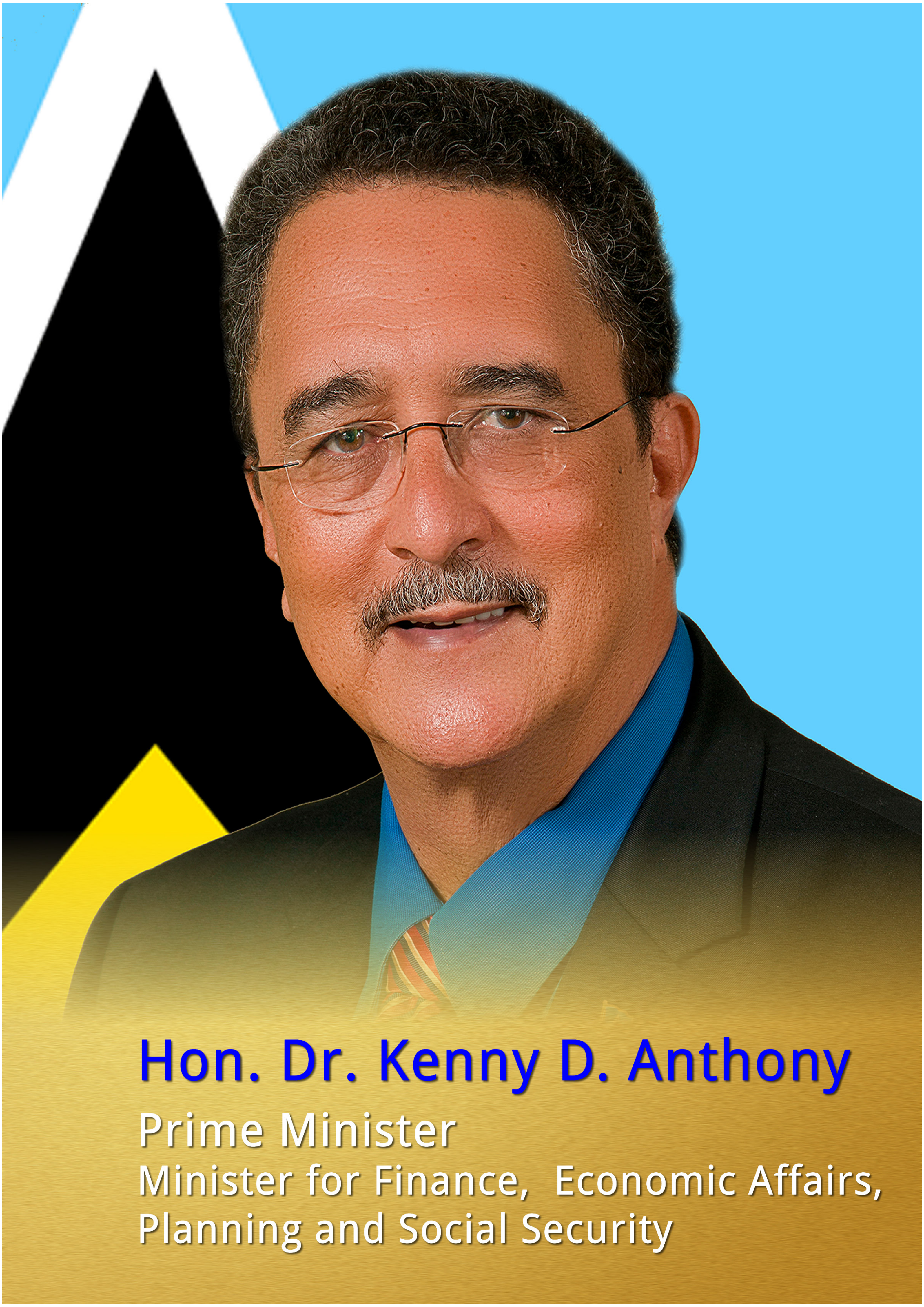
Hon. Dr. Kenny D. Anthony
Prime Minister
Minister for Finance, Economic Affairs,
Planning and Social Security

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MISSION STATEMENT

To ensure that every St. Lucian enjoys social and financial protection and to assist in the development of our nation through the efficient collection of contributions, payment of relevant benefits, prudent management of assets, use of cutting edge technology and a cadre of highly skilled staff.

VISION STATEMENT

An effective, transparent and financially sound institution which is customer-focused, provides social protection to the St. Lucian population and plays a leading role in national development.

CORPORATE INFORMATION

HEAD OFFICE

National Insurance Corporation
Francis Compton Building
Waterfront
Castries
St. Lucia
Tel: 452-2808
Fax: 451-9882

SUB OFFICES

National Insurance Corporation
Antoine L. Theodore Building
Cnr. of Theodore and Hospital Streets
Vieux Fort
St. Lucia
Tel: 454-6758
Fax: 454-5001

National Insurance Corporation
Sir Darnley Alexander Building
Bay Street
Soufriere
St. Lucia
Tel: 459-7241
Fax: 459-5434

National Insurance Corporation
Providence Commercial Centre
Rodney Bay
Gros Islet
St. Lucia
Tel: 457-4074/75
Fax: 452-0576

BANKERS

Bank of Saint Lucia Ltd.
Bridge Street
Castries
St. Lucia

AUDITORS

BDO
Mercury Court
Choc Estate
P.O. Box 364
Castries
St. Lucia

ATTORNEYS

Mrs. Cadie St. Rose-Albertini LLB, LEC, LLM

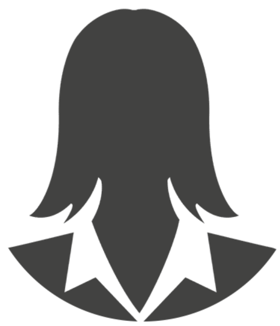
Ms. Kit-Juelle Frank-Amoroso LLB, LEC, MCI Arb
First Floor
Francis Compton Building
Waterfront
Castries
St. Lucia

BOARD MEMBERS

Andre Chastanet
(Chairman)

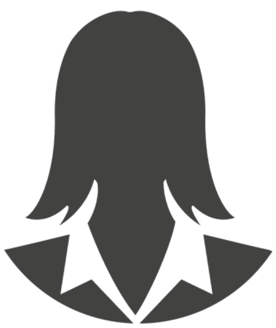
Trevor Louisy
(Member)

Marcus Joseph
(Deputy Chairman)



Margaret Monplaisir
(Member)

Matthew Mathurin
(Member)



Michelle Phillips
(Member)

Julian Monrose
(Member)

BOARD COMMITTEES

GROUP AUDIT COMMITTEE

Marcus Joseph	Chairperson
Ketha Auguste	
Julian Monrose	
Andre Chastanet	
Joseph Alexander	
Daniel Girard	
Ryan Devaux	
Matthew L. Mathurin	

HUMAN RESOURCE COMMITTEE

Margaret Monplaisir	Chairperson
Trevor Louisy	
Michelle Phillips	
Matthew L. Mathurin	

APPEALS COMMITTEE

Andre Chastanet	Chairperson
Trevor Louisy	
Margaret Monplaisir	
Michelle Phillips	

INVESTMENT COMMITTEE

Dr. Reginald Darius	Chairperson
Huanna Leon	
Alvina Malaykhan	
Irwin Jean	
Matthew L. Mathurin	

MANAGEMENT TEAM & SENIOR STAFF

MANAGEMENT TEAM

Mr. Matthew Mathurin	Director
Mr. Desmond Dujon-Henry	Assistant Director (Operations)
Mrs. Cadie St. Rose Albertini	Senior Legal Counsel/Corporate Secretary
Mrs. Paula Bleasdille	Chief Accountant
Mr. Irwin Jean	Investment Manager
Mr. Aloysius Burke	Systems Manager
Mr. Augustin Louis	Marketing and Corporate Communications Manager
Ms. Allison Delmede	Human Resource Manager
Mrs. Sue-Ann Charlery-Payne	Head of Group Internal Audit
Ms. Callixta Emmanuel	Manager, Compliance and Records Department
Mr. Bernard Jankie	Manager, Branch Offices
Mrs. Gisele St Marthe	Acting Manager, Customer Service Department

SENIOR OFFICERS

Mr. Paul Kallicharan	Statistician
Ms. Lisa Leon	Customer Service Supervisor
Mrs. Claudia Elias-Charles	Benefits Supervisor
Mrs. Semanthia Wells-Joseph	Executive Assistant
Mrs. Elmona Leonce	Records Supervisor
Mr. Timothy John	Chief Security Officer

NATIONAL INSURANCE CORPORATION
For the benefit of us all!

CHAIRMAN'S REPORT
July 2014 - June 2015

Andre Chastanet
Chairman

APPOINTMENT

I am honoured to have been selected to serve as a member and Chairman of the Board of the National Insurance Corporation. My appointment took effect in May 2015 and in accordance with the National Insurance Corporation Act which provides for the Minister for Social Security to convene the first meeting of any new Board of the Corporation, the Board first met on 25th June 2015. Consequently, nothing about the Corporation's performance for the year ended 30th June 2015 can be credited to me.

OVERVIEW

The National Insurance Corporation (NIC) registered another successful year of operations and achieved a milestone in service to our customers. For the first time, over 22,000 beneficiaries collected more than $75 Million in benefits.

This is indeed a significant accomplishment for the NIC, an institution mandated to provide social insurance benefits to the employed population of St. Lucia and their dependents. We are honored to have been on hand to provide the necessary assistance.

Our contribution income for the third consecutive year crossed the $100 Million mark and through sound management, the NIC was able to contain its Administrative Expenses below the level of last year.

The NIC has continued its prudent and conservative approach to investment during the financial year ended 2015. The Corporation pursued even more rigorous due diligence in its investment activity to mitigate risks.

This approach was supported by participation in relevant training programs geared at enhancing knowledge and skills of staff. A risk-based approach adopted for the efficient management of the entire organization resulted in enterprise-wide risks being identified, and mitigation measures, including stronger internal controls, being implemented.

Within recent times, issues that affect social insurance systems worldwide have emerged as critical items on the economic and social agenda. Rising longevity and falling birth rates have been two of the forces affecting social insurance systems. In this regard, the issue of financial sustainability of Social Security Systems has taken center stage in many countries. In St. Lucia, the robust financial performance of the NIC over the years has placed our Social Security System in a strong position in terms of the long-term viability of the fund and security of the insured population.

FINANCIAL HIGHLIGHTS

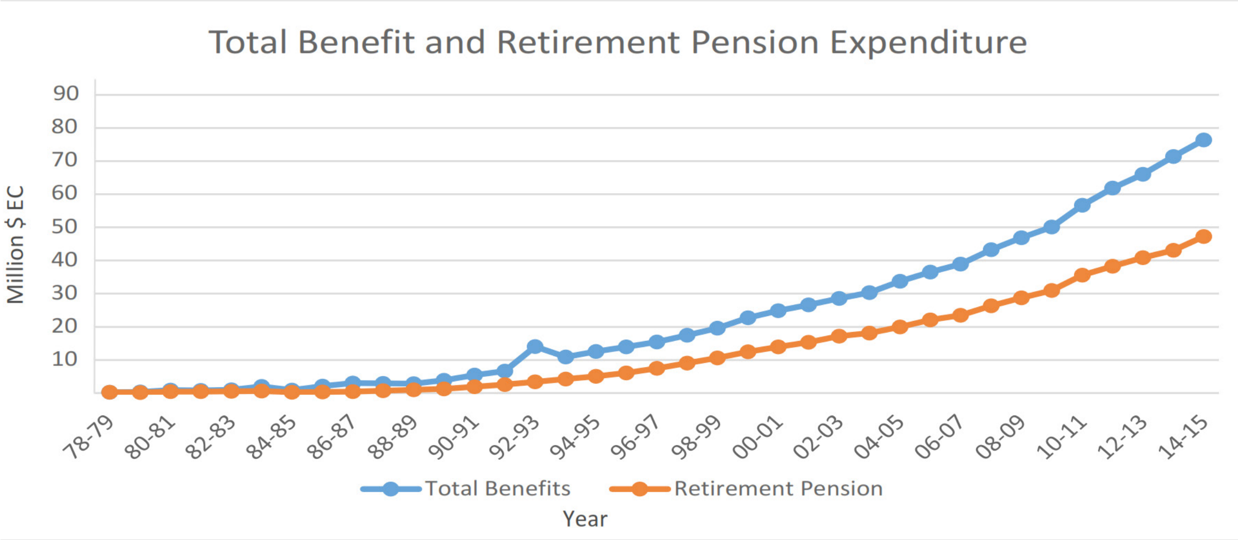
BENEFITS

Total benefit expenditure in 2014/2015 was $77.52 Million, an increase of 7.27% over the $72.27 Million paid in the previous fiscal year. Of this amount, long-term benefit payments accounted for 80.20% or $62.17 Million, while short-term benefit payments, including Medical Health Programme, accounted for the remaining 19.80% or $15.35 Million. It should be noted that long-term benefit expenditure during the review period increased by 7.73%. This moderate growth was mainly due to a corresponding rise in pensions awarded during the financial year. In 2014/2015, the cost of Medical Health Programme remained constant at $5 Million.

Retirement Pensions continue to be the principal component of pension expenditure and accounted for 64.86% of total benefits paid. Retirement Pensions also accounted for 80.88% of long-term benefit expenditure. The International Labour Organisation (ILO) Pension Model predicts that this trend will continue into the future, consistent with the projected steady increase in retirement of active contributors. As the Social Security Program matures, NIC benefit expenditure pattern will mirror that of a pension program, due to the overwhelming percentage of payments for pensions, as illustrated in Figure 1 below.

When expressed as a percentage of contribution income, total benefits expenditure was 69.66% compared to 69.27% in the previous financial year.

Figure 1



Regarding benefits governed by reciprocal agreement, 5 transactions were processed under the Agreement between Saint Lucia and Canada and 74 under the CARICOM Agreement in 2015. During the year in review, a total of 138 pensions were paid under the CARICOM Agreement on Social Security at a cost of $820,018. Since the implementation of the Agreement, 149 pensions have been awarded at a cost to date of $2,792,843.

INCOME

Contribution income increased by 6.65% from $104.34 Million in the previous fiscal year to $111.28 Million in 2014/2015. Despite this modest increase, total income for the financial year experienced a significant contraction of 19.40%, from $188.11 Million in 2013/14 to $151.62 Million in 2014/15. The performance of total income was primarily due to a 49.19% drop in net investment income, from $71.61 Million in the previous fiscal year to $36.39 Million in 2014/15.

EXPENSES

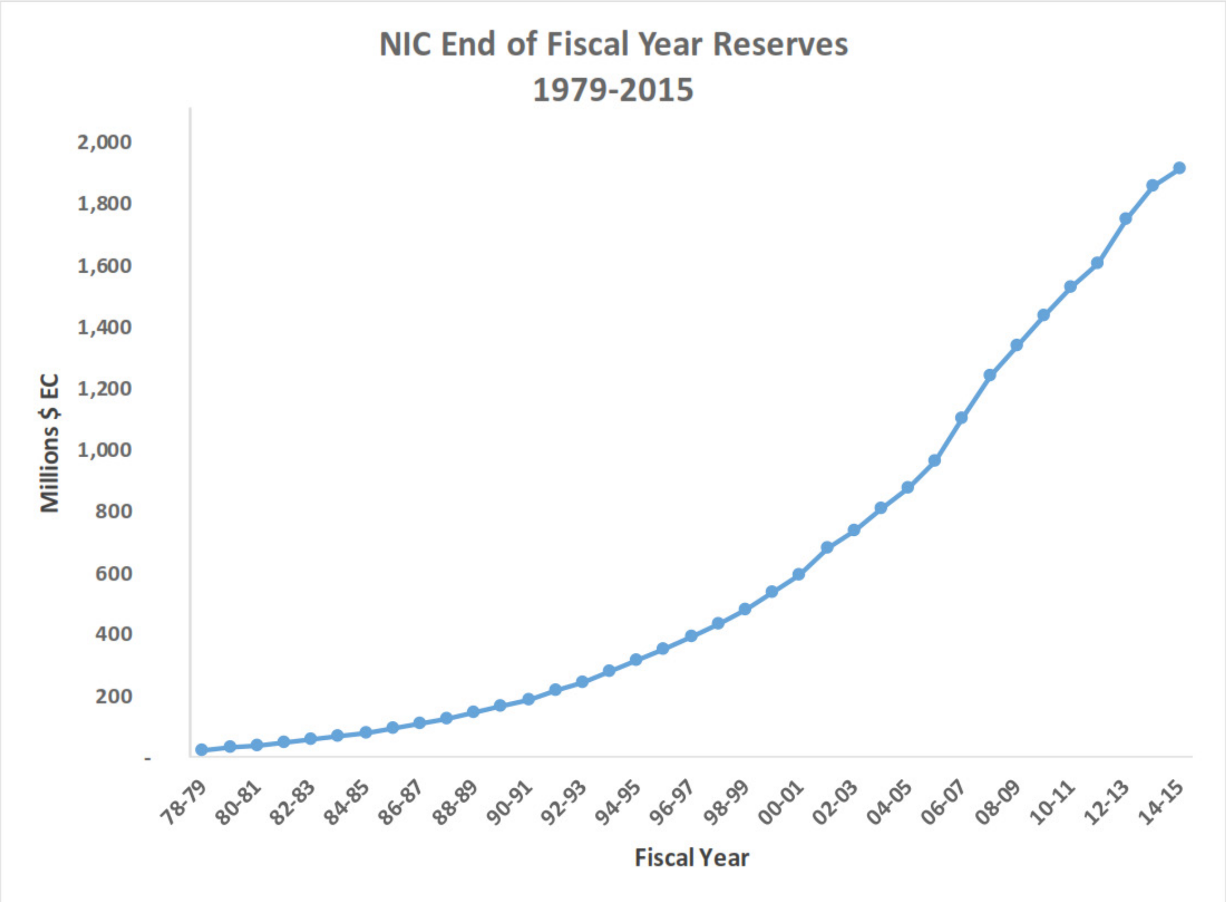
During the review period, General and Administrative Expenses declined by 5.32% to $16.46 Million. General and Administrative Expenses as a percentage of contribution income was 14.79%, an improvement of 1.87% over the preceding year.

ASSETS

Total Assets at June 2015 was $1.92 Billion and represented a 3.04% increase over the previous financial year, 2013/14. This moderate growth was reflected in contribution income for the period in review which recorded a 6.65% increase to $111.28 Million.

At the end of the financial year in review, the Reserves of the NIC expanded by 3.11% or $57 Million to $1.90 Billion. The trend of Reserves is illustrated in Figure 2 below.

Figure 2

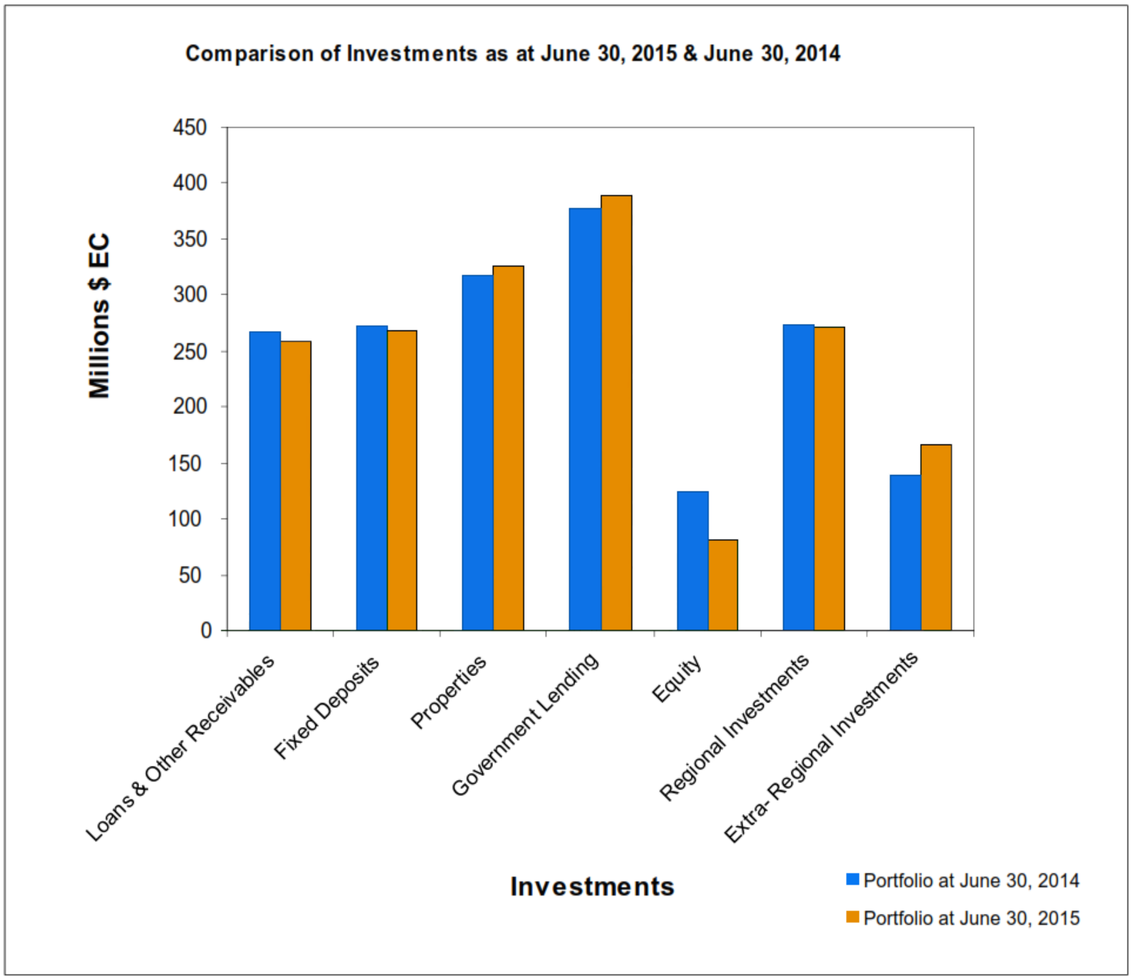


INVESTMENT PORTFOLIO

Investment of surplus monies is critical to allow the Corporation to supplement contributions to meet future pension obligations and increases in the level of benefit payments to offset inflation. This was undertaken in accordance with the provision of the Corporation's Investment Policy and Guidelines which dictated the objectives in order of the priority of Safety, Liquidity and Yield.

The following table juxtaposes the investment portfolio summaries as at June 2015 and 2014.

Investments	Portfolio at June 30, 2015 $	Portfolio at June 30, 2014 $
Loans & Other Receivables	258,401,237	267,120,510
Fixed Deposits	268,939,930	271,299,140
Properties	325,342,821	317,927,403
Government Lending	389,455,263	376,953,581
Equity	81,920,240	124,742,672
Regional Investments	272,331,992	273,570,290
Extra-Regional Investments	166,348,128	138,544,775
Total	1,762,739,611	1,770,158,371



INFORMATION AND COMMUNICATIONS TECHNOLOGY SYSTEMS

The Computer Department's *raison d'être* is to provide an enabling environment for the provision of social security benefits and other data-driven operations. By acquiring leading edge technology, the NIC has been able to future proof the organization's networks. This has also allowed the Corporation to leverage services including inter-governmental collaboration and web based functionality. The areas highlighted below are some of the initiatives undertaken during the year.

Web Services

Since the completion of the C3 Online system, testing continued with the largest employer, the Government, and with a small group of 6-8 Private Sector employers, with encouraging success.

Network and Telephony Assessment

An assessment of the telephone and network infrastructure was undertaken to inform a recommendation of an IP based telephony system, with the objective of achieving company-wide telephony cost reductions.

Social Security System Upgrade

The servers supporting the Corporation's Social Security System have aged, and in order to future proof the system, we have started the process of migrating data from old to newer, more advanced servers. We therefore started several end user, unit and system tests to ensure all user and system requirements are performing efficiently.

Security of Information Technology Network

We have engaged the services of a regional consulting security firm to assess possible network vulnerability to cyber attacks. This assessment involves both penetration and intrusion detection tests in order to develop a mitigation response.

IT Audit

An IT Audit of the Department was completed during the period under review. The reviews addressed personnel, security, application quality, system development life cycle, project management and internal controls.

HUMAN RESOURCE MANAGEMENT (HRM)

Cognizant of the critical role our employees play in the success of the Corporation, and to ensure that our employees are equipped with the necessary skills, significant attention was devoted to the areas of training and other aspects of HRM.

Training and Development

Training and development continued to be a priority for the NIC, and to that end several workshops were undertaken on subjects such as Advances in Office Administration, Audit, Taking & Writing Effective Minutes & Preparing Reports and Briefs, Report Writing, Assuring Attendance, Correcting and Controlling Absenteeism, Leadership, Communication and Customer Service, Regional Social Security Internal Auditors training, Aspects of the Labour "Code" Act for Business, IFRS 13, Competency-Based System Implementation, Attendance and Punctuality, and Using Data Analytics to Detect Fraud.

Two employees were provided assistance to pursue degree studies, one leading to a Master of Science Degree in Corporate Communications and Public Affairs at the Robert Gordon University, Scotland, and the other a BSc in Information and Library Studies with the University of Aberystwyth in Wales. These employees were identified to fill existing and forecasted skill gaps within the organization.

Occupational Health and Safety

A Health and Safety Statement has been placed within all departments and branches and an Occupational and Health Committee was crafted. The Corporation engaged the services of a consultant to develop an Occupational Health and Safety Policy and to guide the process towards full compliance with the Labour Act in securing the safety and well-being of our employees.

Scholarships

The Corporation awarded four scholarships to employees' children who excelled at the Common Entrance Examination and the Caribbean Examination Council (CXC) Examinations to pursue studies at secondary schools and the Sir Arthur Lewis Community College. This brings to 13 the number of scholarships awarded to the children of our staff.

The staff complement as at June 30th 2015 was 118.

SUBSIDIARIES

The following table provides information on the NIC and its subsidiaries as at June 2015.

Company	% Holding by NIC	Business	Date Incorporated	Total Assets $	Net Assets / (Liabilities) $
NIC	-	Provision of Social Security services.	April 1979	1,878,518,668	1,869,886,736
NIPRO	100	Provides property development, management, and maintenance services.	April 1999	25,977,457	8,444,333
SMFC	75	Providing loans for the purchase, construction, extension or completion of dwelling houses and the purchase of developed plots.	January 1968	42,849,520	9,865,046
BCL	100	Rental of space for office and commercial use. Proprietor of Blue Coral Mall Building.	April 2003	18,703,878	(19,499,516)
CCFL	100	Provision of car parking facilities and rental of space for office and commercial use.	January 1998	27,959,938	17,669,381

The National Insurance Property Development and Management Company Ltd.

NATIONAL INSURANCE PROPERTY DEVELOPMENT &

MANAGEMENT COMPANY LIMITED (NIPRO)

Financial Review

NIPRO recorded net income of approximately one hundred and six thousand dollars ($105,519) for the review period. This compares favorably with its performance of the previous year when a net loss of $83,946 was recorded.

Total operating income for the year declined slightly from $4,140,662 to $4,048,918.

Total expenses of $4,133,184 , inclusive of interest payments, decreased from $4,471,161 in the previous year.

Total assets at June 2015 was $25.98 Million, compared to $26.62 Million at June 2014.

The company's primary sources of revenue for this year were lease payments and facilities maintenance fees. However, project management and project developers' fees earned for the year were slightly more than the previous year as a number of small construction projects were completed for the National Insurance Corporation. Additionally, the BOLT project for the construction of the Babonneau fire station commenced towards the end of the review period.

Operations Review

During the financial year, NIPRO was engaged on sixteen capital projects and at June 2015, eight were completed, two were in the construction phase and the other six were in the pre-construction/planning phase. With the exception of the Babonneau fire station and the renovation of the Electoral Office at the Antoine Ludovic Building, all of these projects were undertaken on behalf of the National Insurance Corporation.

Maintenance on BOLT and NIC Facilities

NIPRO continued to meet its mandate to maintain and repair the facilities being leased to the Government of St. Lucia under the BOLT arrangements and the buildings owned by the NIC.

This continues to pose a challenge as a number of these facilities are showing signs of deterioration due to the impact of weather, age and obsolescence.

The implementation of major maintenance works and renovations was hampered towards the end of the review period by the resignation of the Facilities Manager.

Management Services

NIPRO continued to manage, maintain and provide accounting services to the Castries Car Park Facility.

SAINT LUCIA MORTGAGE FINANCE COMPANY LIMITED (SMFC)

July 2014 to June 2015

The Company continued to provide residential mortgages in accordance with the terms of its Operating Agreement with the Government of Saint Lucia.

The financial year ended June 2015 was yet another challenging year for the Company. The banking sector continued to be highly competitive as commercial banks aggressively pursued residential mortgages.

Over the twelve month period, SMFC disbursed the sum of $7,158,884 (2014 - $3,784,939) bringing cumulative disbursements from inception to $182,209,567. Mortgage assets (net of loss provisions) increased by 5.63% compared to last year. There was a marginal increase in mortgage assets mainly due to an increase in loan advances made, leading to net profits of $423,550 i.e. $75,392 (21.65%) more than the previous year.

SMFC withdrew $5,000,000 in new loans and repaid $3,592,500 of its existing debt to the NIC, bringing the total indebtedness at June 2015 to $31,785,000 (2014 - $30,377,500). A dividend of 5% of issued shares was declared and paid to shareholders for the period ended June 2013; no dividend was declared for the period ended June 2014.

BLUE CORAL LIMITED (BCL)

Introduction

Blue Coral Limited (BCL) manages the Blue Coral Shopping Mall which is located in Castries. This is a four storey building which occupies an entire block within the city and has public access points via the William Peter Boulevard as well as Bridge, Micoud and Bourbon Streets. BCL offers rental spaces primarily for the sale of a wide range of products and services.

At the end of the review period, the company enjoyed an average occupancy rate of 86.25%.

Financial Summary

Blue Coral Limited recorded a small loss of $298,269 for the year ended 30 June 2015. This can be largely attributed to the fair value gain on the investment property of $156,656 which has reversed the previous trend of significant fair value losses.

Rental income remained fairly consistent moving from $2,517,004 in 2014 to $2,531,539, an increase of one percent. Total expenses ($1,999,623) were well contained and nine percent less than that incurred in 2014 ($2,182,100). Significant savings were realised from the reduction in water and electricity consumption as well as legal and professional fees.

The Company’s total liabilities and shareholders’ deficiency at 30 June 2015 was $18,703,878.

Castries Carpark Facility Ltd.

Financial performance for the year ended 30 June 2015

Total revenue for the period ending June 2015 was $3,217,240 which represents a marginal increase from $3,115,261 as at June 2014.

Revenue from both rental income and parking fees showed small increases. This is a reversal in the trend for earnings from parking fees which had been declining.

Total general and administrative expenses decreased from $1,554,100 to $1,158,792 (25%) while interest expenses incurred for the period decreased marginally from $952,098 to $864,160.

The combined effect of the increased revenue and decreased cost resulted in an increase in net income from $587,409 in 2014 to $1,191,900 in 2015.

There was a slight improvement in financial position at the end of June 2015. Total assets at June 2015 was $27,959,938 as compared to $27,652,777 at June 2014.

The company's liquidity improved over the June 2014 position, with current assets increasing from $944,147 to $1,162,601 of which cash and cash equivalents amounted to $903,737 or 78% of current assets.

Operations and Maintenance

During the review period, an attempt was made to improve the curb appeal and aesthetics of the open/ public areas around the car parking facility.

A beautification project comprising new steps, sitting area, landscaped garden and grassed area at a cost of $100,080 was completed in March 2015.

Routine maintenance of the plant was undertaken over the review period and there were no major or critical issues that required attention.

With a view to identifying mechanisms for increasing the occupancy rate at the car park and improving the customer experience, a customer perception survey was undertaken in April 2015 by a consultant marketing firm. The recommendations contained therein will be considered in the ensuing financial year.

AFFILIATE

National Community Foundation

NATIONAL COMMUNITY FOUNDATION

About the National Community Foundation

The National Community Foundation (NCF) is a philanthropic, non-profit, community-based, nongovernmental organization that functions primarily as a grant making institution. The NCF was established in August 2002 and supports initiatives that engender self-development and social upliftment.

Areas of Focus

The National Community Foundation focuses its attention in six main areas. The amounts spent on each focus area for financial year ended 2015 were:

1. *Youth at Risk - $38,616 (3 projects) - summer programmes.*
2. *Older Persons - $11,500 (4 projects) - feeding programme.*
3. *Disadvantaged Children - $329,765 - Scholarship Programme.*
4. *Health Care - $186,336.*
5. *Homeless - $7,287 (15 families benefitted) - Help for fire victims.*
6. *Persons with Disabilities - $7,000 (1 project) - transportation programme.*

Over 1,000 people benefitted from NCF's activities and projects this year.

Telethon

The NCF raised $289,880 during the period 1st July 2014 – 30th June 2015. These funds, in addition to other donations, were used to finance philanthropic activities.

APPRECIATION

My tenure as Chairman of the Board of the National Insurance Corporation effectively commenced 29th May 2015. Accordingly, much of what has been achieved during the year falls to the credit of the previous Board under the chairmanship of Mr. Lisle Chase.

Having completed another year of fulfilling our mandate of providing social security protection to our population, I take this opportunity to thank persons and entities which provided support and assisted in our accomplishments. Foremost is the Hon. Prime Minister as Minister responsible for Social Security, for the strategic guidance to the Board and for having afforded me the honour to chair the Board of this venerable institution and serve my fellow St. Lucians; colleagues on the Board and Board Committees; the Executive Director and his management team; our cadre of capable and committed employees who remain our most valuable asset and critical to ensuring that the Corporation continues to make a positive difference in the lives of our cherished stakeholders; the various agencies of Government in particular the Ministry of Finance; international agencies, namely the International Labour Organization, the International Social Security Association and the Inter-American Conference on Social Security; and our local corporate entities.

To our contributors, I thank you for your continued confidence, and hereby assure you of the NIC's continued commitment to providing you with ever improving quality and timely services.

Andre Chastanet
Chairman

photosinbox.com

NATIONAL INSURANCE CORPORATION

Consolidated Financial Statements

June 30, 2015

(expressed in Eastern Caribbean dollars)

National Insurance Corporation

Consolidated Financial Statements
Year Ended June 30, 2015
(Expressed in Eastern Caribbean Dollars)

BDO

Contents

Corporate Information

REGISTERED OFFICE

Francis Compton Building
John Compton Highway
Castries
St. Lucia

DIRECTORS

Mr. Andre Chastanet (Chairman)
Mr. Marcus Joseph (Deputy Chairman)
Mr. Julian Monrose
Mrs. Margaret Monplaisir
Mr. Matthew Mathurin
Mrs. Michelle Phillips
Mr. Trevor Louisy

SOLICITORS

Mrs. Cadie St. Rose-Albertini, LLB, LEC, LLM
Ms. Kit-Juelle Frank-Amoroso, LLB, LEC, MCI Arb

BANKER

Bank of Saint Lucia Limited

AUDITORS

BDO
Chartered Accountants

Tel: 758-452-2500
Fax: 758-452-7317
www.bdo.lc

Mercury Court
Choc Estate
P.O. Box 364
Castries
St. Lucia

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of National Insurance Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of National Insurance Corporation, which comprise the consolidated statement of financial position as at June 30, 2015, and the consolidated statements of changes in reserves, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of National Insurance Corporation as at June 30, 2015, and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO

April 8, 2016

BDO Eastern Caribbean, a partnership registered in St. Lucia and St. Vincent and the Grenadines, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

National Insurance Corporation
Consolidated Statement of Financial Position
As at June 30, 2015
(Expressed in Eastern Caribbean Dollars)

	Notes	2015 $	2014 $
Assets			
Cash and cash equivalents	6	151,539,903	88,331,391
Financial assets	7	1,437,396,790	1,452,230,968
Investment properties	10	325,342,821	317,927,403
Property, plant and equipment	11	4,372,078	4,501,903
Projects in progress		1,092,170	190,049
Inventory		23,642	22,868
Income tax recoverable		84,548	25,560
TOTAL ASSETS		1,919,851,952	1,863,230,142
Liabilities			
Trade and other accounts payable	12	13,417,282	14,404,659
Deferred tax liability	22	11,639	8,412
		13,428,921	14,413,071
Reserves			
Short-term benefits	15	69,454,190	66,856,630
Long-term benefits	15	1,765,480,707	1,714,615,013
Reserves	14	1,550,112	1,486,580
Retained earnings		67,463,174	63,511,065
		1,903,948,183	1,846,469,288
Minority interest in reserves		2,474,848	2,347,783
		1,906,423,031	1,848,817,071
TOTAL LIABILITIES AND RESERVES		1,919,851,952	1,863,230,142

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

APPROVED ON BEHALF OF THE BOARD:-

Chairman

Director

National Insurance Corporation

Consolidated Statement of Changes in Reserves
For the year ended June 30, 2015
(Expressed in Eastern Caribbean Dollars)

	Short-term Benefits $	Long-term Benefits $	Reserves $	Retained Earnings $	Minority Interest $	Total $
Balance at June 30, 2013	63,502,153	1,635,835,209	1,524,356	60,337,995	(5,768,403)	1,755,431,310
Excess of comprehensive income over expenditure for the year	3,354,477	78,779,804	-	15,912,698	74,448	98,121,427
Transfer to statutory reserve	-	-	52,224	(52,224)	-	-
Transfer from portfolio risk reserve	-	-	(90,000)	90,000	-	-
Dividends paid	-	-	-	-	(69,000)	(69,000)
Transfer of minority interest deficit in subsidiary	-	-	-	(12,777,404)	12,777,404	-
Elimination of minority interest share in subsidiary	-	-	-	-	(4,666,666)	(4,666,666)
Balance at June 30, 2014	66,856,630	1,714,615,013	1,486,580	63,511,065	2,347,783	1,848,817,071
Excess of comprehensive income over expenditure for the year	2,597,560	50,865,694	-	4,015,641	127,065	57,605,960
Transfer to statutory reserve	-	-	63,532	(63,532)	-	-
Balance at June 30, 2015	69,454,190	1,765,480,707	1,550,112	67,463,174	2,474,848	1,906,423,031

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

National Insurance Corporation
Consolidated Statement of Comprehensive Income
For the year ended June 30, 2015
(Expressed in Eastern Caribbean Dollars)

	Notes	2015 $	2014 $
Contribution income	16	111,280,951	104,336,132
Benefits expenses			
Short-term benefits	17	(10,348,323)	(9,557,197)
Long-term benefits	17	(62,173,010)	(57,713,157)
Medical health programme	16	(5,000,000)	(5,000,000)
		(77,521,333)	(72,270,354)
Surplus of contribution over benefits		33,759,618	32,065,778
General and administrative expenses	18	(16,455,744)	(17,380,691)
		17,303,874	14,685,087
Other income			
Investment income - net	20	36,388,895	71,613,280
Increase/(decrease) in fair value of investment properties	10	3,013,632	(3,629,038)
Gain on debt restructuring		-	9,296,703
Gain on acquisition of shares		-	4,666,666
Other		938,095	1,821,794
		40,340,622	83,769,405
Excess of income over expenditure before finance costs and taxation		57,644,496	98,454,492
Finance costs		(35,002)	(337,610)
Excess of income over expenditure before taxation		57,609,494	98,116,882
Taxation	22	(3,534)	4,545
EXCESS OF COMPREHENSIVE INCOME OVER EXPENDITURE FOR THE YEAR		57,605,960	98,121,427
Attributable to:			
Reserves		57,478,895	98,046,979
Minority interest		127,065	74,448
EXCESS OF COMPREHENSIVE INCOME OVER EXPENDITURE FOR THE YEAR		57,605,960	98,121,427

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

National Insurance Corporation
Consolidated Statement of Cash Flows
For the year ended June 30, 2015
(Expressed in Eastern Caribbean Dollars)

	2015 $	2014 $
Cash Flows from Operating Activities		
Excess of comprehensive income over expenditure before taxation	57,609,494	98,116,882
Adjustments for:		
Interest income	(73,519,995)	(72,442,196)
Decrease in fair value of financial assets at fair value through income	44,716,186	6,660,013
(Increase)/decrease in fair value of investment properties	(3,013,632)	3,629,038
Provision for loan impairment	1,243,600	1,691,379
Dividend income	(4,485,363)	(4,242,077)
Depreciation	683,216	696,450
Finance costs	35,002	337,610
Gain on debt restructuring	-	(9,296,703)
Gain on acquisition of shares	-	(4,666,666)
Loss/(gain) on disposal of property, plant and equipment	193	(89,860)
Operating income before working capital changes	23,268,701	20,393,870
Decrease in loans and receivables	11,197,701	6,619,758
Purchase of held-to-maturity financial assets	(4,251,174)	(42,010,592)
(Increase)/decrease in loans and receivables investment securities	(4,989,212)	22,669,679
Increase in financial assets at fair value through income	(29,697,106)	(21,381,148)
(Increase)/decrease in projects in progress	(902,121)	3,240,053
Increase in inventory	(774)	(871)
(Decrease)/increase in trade and other payables	(987,377)	2,392,082
Cash used in operations	(6,361,362)	(8,077,169)
Interest received	70,134,178	69,038,982
Dividends received	4,485,363	4,242,077
Finance costs paid	(35,002)	(337,610)
Taxation paid	(59,295)	(115,655)
Net cash generated from operating activities	68,163,882	64,750,625
Cash Flows from Investing Activities		
Improvements to investment properties	(4,401,786)	(18,224,507)
Purchase of property, plant and equipment	(553,584)	(487,093)
Proceeds from disposal of investment properties	-	308,430
Proceeds from disposal of property, plant and equipment	-	94,860
Net cash used in investing activities	(4,955,370)	(18,308,310)
Cash Flows from Financing Activities		
Repayment of borrowings	-	(3,294,430)
Dividends paid to minority interest	-	(69,000)
Net cash used in financing activities	-	(3,363,430)
Increase in Cash and Cash Equivalents	63,208,512	43,078,885
Cash and Cash Equivalents at Beginning of Year	88,331,391	45,252,506
Cash and Cash Equivalents at End of Year	151,539,903	88,331,391

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

Index to Notes to the Consolidated Financial Statements

1. Introduction

The National Insurance Corporation (the Corporation) is governed by the National Insurance Corporation Act CAP 16.01 of the revised laws of Saint Lucia 2001. The principal activity of the Corporation is to provide social security services in the country of Saint Lucia.

The consolidated financial statements include the statements of National Insurance Corporation and its subsidiaries (together "the Group") whose activities are as follows:-

(a) St. Lucia Mortgage Finance Company Limited

The principal activity of the company is to operate a mortgage finance company.

(b) National Insurance Property Development and Management Company Ltd.

The company is currently engaged in the development and management of the Government of Saint Lucia Build-Own-Lease-Transfer (BOLT) and refurbishment projects; the provision of property development, management and maintenance services to NIC and its subsidiaries.

(c) Castries Car Park Facility Limited

The company provides car parking facilities, all other matters incidental thereto and rental of office block and commercial space.

(d) Blue Coral Limited

The company provides rental of office and commercial space.

The registered office and principal place of business of the Corporation is Francis Compton Building, John Compton Highway, Castries, Saint Lucia.

2. Date of Authorisation of Issue

These financial statements were authorised for issue by the Board of Directors on 8 April, 2016.

3. Significant Accounting Policy

The principal accounting policies adopted are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to the years presented, unless otherwise stated.

(a) Basis of Preparation

The consolidated financial statements of National Insurance Corporation have been prepared in accordance with the International Financial Reporting Standards (IFRS), and under the historical cost convention as modified by the revaluation of financial assets classified at fair value through income and investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

Amendments to International Financial Reporting Standards effective for the financial year beginning July 1, 2014 in the 2015 financial year

IAS 32, 'Financial Instruments: Offsetting financial assets and financial liabilities'.

These amendments clarify the application of certain offsetting criteria in IAS 32, including: (a) the meaning of 'currently has a legally enforceable right of set-off'; and, (b) that some gross settlement mechanisms may be considered equivalent to net settlement. The amendments had no material effect on the Group's consolidated financial statements.

IAS 36, 'Impairment of Assets: Recoverable amount disclosures for non-financial assets'.

These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognized or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including: additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made; and, the discount rates used if fair value less costs of disposal is measured using a present value technique. The amendments had no material effect on the Group's consolidated financial statements.

IFRIC 21, 'Levies', clarifies that: (a) the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by the government's legislation. If this activity arises on a specific date within an accounting period, then the entire obligation is recognized on that date; and, (b) the same recognition principles apply in the annual and interim financial statements. IFRIC 21 has no material effect on the Group's consolidated financial statements.

Other standards, amendments and interpretations which are effective for the financial period beginning July 1, 2014 are not material to the Group.

New and revised International Financial Reporting Standards that have been issued but are not yet effective and have not been early adopted

At the date of the authorisation of these financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group's consolidated financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Group's consolidated financial statements.

3. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

New and revised International Financial Reporting Standards that have been issued but are not yet effective and have not been early adopted (Cont'd)

IFRS 9, 'Financial Instruments'

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The Group has yet to assess the impact of IFRS 9 on the Group's consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. The Group has yet to assess the impact of IFRS 9 on the Group's consolidated financial statements. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018.

(b) Consolidation

Subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Consolidated Statement of Comprehensive Income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

3. Significant Accounting Policies (Cont'd)

(b) Consolidation (Cont'd)

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in reserves. Gains or losses on disposals to non-controlling interests are also recorded in reserves.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the Consolidated Statement of Comprehensive Income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Comprehensive Income. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Comprehensive Income where appropriate.

(c) Foreign Currencies

The financial statements are presented in Eastern Caribbean dollars which is the currency of the primary economic environment in which the Group operates (its functional currency).

Assets and liabilities expressed in foreign currencies are translated into the functional currency at the rates of exchange ruling at the date of the financial statements. Transactions arising during the year involving foreign currencies are translated into the functional currency and recorded at the rates of exchange prevailing on the dates of the transactions. Differences arising from fluctuations in exchange rates as well as including differences between buying and selling rates, are included in the Consolidated Statement of Comprehensive Income.

(d) Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand and deposits held on call with financial institutions. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand and in financial institutions. Bank overdrafts are shown within borrowings on the Consolidated Statement of Financial Position.

3. **Significant Accounting Policies (Cont'd)**

(e) Financial Assets

The Group classifies its financial assets into these categories:-

1. Fair value through income
2. Loans and receivables
3. Held-to-maturity financial assets
4. Available-for-sale financial assets

Financial Assets at Fair Value Through Income

A financial asset is classified into the 'financial assets at fair value through income' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short term profit-taking, or if so designated by management.

Financial assets designated as fair value through income at inception are those that are:-

- Held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through income eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. The Group's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through income (see Note 7 for additional details on the Group's portfolio structure).

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Group intends to sell in the short term or that it has designated as at fair value through income or available-for-sale. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to their original terms.

3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

Held-to-Maturity Financial Assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities other than those that meet the definition of loans and receivables that the Group's management has the positive intention and ability to hold to maturity. These assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of held-to-maturity debt securities is established when there is objective evidence that the Group will not be able to collect all amounts due according to their original terms.

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Regular-way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through income, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through income are initially recognised at fair value, and transaction costs are expensed in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through income are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through income' category are included in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Unrealised changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the Consolidated Statement of Comprehensive Income; translation differences on non-monetary securities are recognised in equity. Unrealised changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

3. Significant Accounting Policies (Cont'd)

(e) Financial Assets (Cont'd)

Available-for-Sale Financial Assets (Cont'd)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Consolidated Statement of Comprehensive Income as net realised gains on financial assets.

Interest on debt securities calculated using the effective interest method is recognised in the Consolidated Statement of Comprehensive Income. Dividends on equity instruments are recognised in the Consolidated Statement of Comprehensive Income when the Group's right to receive payments is established. Both are included in the investment income line.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(f) Impairment of Assets

Financial Assets Carried at Amortised Cost

The Group assesses at each date of the financial statements whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence that impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:-

i. Significant financial difficulty of the issuer or debtor;

ii. A breach of contract, such as a default or delinquency in payments;

iii. It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

iv. The disappearance of an active market for that financial asset because of financial difficulties; or

v. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:-

- Adverse changes in the payment status of borrowers in the group; or
- National or local economic conditions that correlate with defaults on the assets in the group.

3. Significant Accounting Policies (Cont'd)

(f) Impairment of Assets (Cont'd)

Financial Assets Carried at Amortised Cost (Cont'd)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Consolidated Statement of Comprehensive Income. If the debt securities have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the asset being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the Consolidated Statement of Comprehensive Income.

Financial Assets Carried at Fair Value

The Group assesses at each date of the financial statements whether there is objective evidence that an available-for-sale financial asset is impaired, including in the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in the Consolidated Statement of Comprehensive Income – is removed from equity and recognised in the Consolidated Statement of Comprehensive Income. Impairment losses recognised in the Consolidated Statement of Comprehensive Income on equity instruments are not subsequently reversed. The impairment loss is reversed through the Consolidated Statement of Comprehensive Income, if in a subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Consolidated Statement of Comprehensive Income.

3. Significant Accounting Policies (Cont'd)

(f) Impairment of Assets (Cont'd)

Impairment of Other Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Investment Property

Property held for long-term rental yields is classified as investment property.

Investment property comprises freehold land and office buildings. It is measured initially at cost and all subsequent assessments are carried 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. These valuations are reviewed by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Changes in fair values are recorded in the Consolidated Statement of Comprehensive Income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the Consolidated Statement of Comprehensive Income. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the Consolidated Statement of Comprehensive Income.

3. Significant Accounting Policies (Cont'd)

(h) Property, Plant and Equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis, so as to write down the cost of property, plant and equipment over their estimated useful lives as follows:-

Assets	Estimated Useful Lives
Buildings	50 years
Leasehold improvements	2 – 10 years
Motor vehicles	3 - 5 years
Furniture and equipment	4 - 10 years
Computer hardware	5 years
Computer software	5 years
Generators	5 years
Maintenance equipment	10 years

Gains or losses arising on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Comprehensive Income.

(i) Projects in Progress

Build-Own-Lease-Transfer (BOLT) Projects

These include all costs associated with the construction and furnishing of the buildings. Direct costs of construction are recognised when an interim valuation is done. On completion, they are accounted for as finance leases.

(j) Inventory

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the price at which the inventory can be realised in the normal course of business after allowing for the cost of realisation. Provision is made for slow moving and obsolete stocks.

(k) Borrowings and Borrowing Costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the financial statements. Interest costs on borrowings to finance the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

(l) Financial Liabilities

Financial liabilities comprise of trade and other accounts payable and borrowings and are measured at amortised cost.

3. Significant Accounting Policies (Cont'd)

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made.

(n) Recognition of Income and Expenses

(a) Contribution Income and Benefits

Contribution income is accounted for on an accrual basis to take account of all collections subsequent to the year-end that relate to the current year, and to recognise all known significant receivables.

Benefits expense is accounted for on an accrual basis to take account of all benefits paid subsequent to the year-end that relate to the current year, and to recognise all known significant benefits payable.

(b) Dividend income

Dividend income for investment in equity securities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

(c) Interest income and expense

Interest income and expense for all interest-bearing financial instruments, including financial instruments measured at fair value through income, are recognised within investment income in the Consolidated Statement of Comprehensive Income using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(d) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(e) Other income and expenses

All other income and expenses are accounted for on the accruals basis.

3. Significant Accounting Policies (Cont'd)

(o) Basis of Allocation of Income and Expenses

(a) Contributions

Contribution income, as recommended by the seventh actuarial review, is allocated as follows:-

	2015 %	2014 %
Short-term benefits fund	17	17
Long-term benefits fund	83	83
	100	100

(b) Investment income and expenses

Investment income and expenses are allocated to the benefit fund in the ratio of the beginning of year reserve of each fund to the total beginning of year reserves.

Investment expenses comprise all costs relating to the management of investment properties and financial assets and provision for impairment of financial assets.

(c) Changes in fair value of investment properties

Changes in fair value of investment properties are allocated to the benefit fund in the ratio of the beginning of year reserve of each fund to the total beginning of year reserves.

(d) Expenses

General and administrative expenses and amortisation and impairment of intangible assets are allocated in proportion to the sum of contributions and benefits.

(e) Other income

Other income is allocated in the same proportion as contribution income.

3. Significant Accounting Policies (Cont'd)

(p) Income Tax

National Insurance Corporation is exempt from the payment of income tax under the Income Tax Act Cap 15.02.

As per Cabinet conclusions, the following exemptions have been granted to the subsidiary companies:

St. Lucia Mortgage Finance Company Limited is exempt from income tax on any income accruing to the company by way of interest on loans up to $500,000.

National Insurance Property Development and Management Company Ltd. is exempt from income tax on the profits earned by the company, which are specific to refurbishment and BOLT projects. All other income is subject to income taxes at a rate of 30% per annum.

Castries Car Park Facility Limited has been granted a tax holiday for the first ten years of operation, which expired October 2008. A further ten year tax holiday was granted to the Company as per Cabinet Conclusion No.1031 with effect from November 2009.

Blue Coral Limited is subject to income taxes at a rate of 30% per annum.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the financial statements. Management periodically evaluates positions taken in tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

The Group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the Group tax rates which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the assets may be utilised.

(q) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. In particular, the key financial risk is that the proceeds from its financial assets will not be sufficient to fund its obligations arising from claims. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Income earned from investments, together with the excess of contributions after benefits are paid are used to earn interest rate margins through investment in high quality, high yielding assets with acceptable level of risks.

The Board of Directors has overall responsibility for the establishment of a risk management framework. The following are the systems and structures put in place to ensure that the Group's exposure to risk is minimised:-

- The Investment Department, which conducts regular due diligence exercises based on published financial reports and other available data. Detailed monthly and quarterly reports are submitted to the Executive Director and to the Investment Committee.
- The Investment Committee, whose role is to review the results of the due diligence exercises conducted by the Investment Manager. Decisions/recommendations are submitted to the Board of Directors for ratification.

Investment decisions are made in the context of Section 21 of the National Insurance Act Cap 16.01 of the laws of St. Lucia 2001 and the Group's Investment Policy and Guidelines.

The investment policy and guidelines establish asset categories with targeted asset allocations.

Credit Risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk. Credit risk exposures arise principally in lending activities that lead to loans and advances, and investment activities that bring debt securities and other bills into the Group's asset portfolio. There is also credit risk in off-balance sheet financial instruments such as loan commitments. The credit risk management and control are centralised and report to the Board of Directors.

Credit Risk Measurement

(a) Loans and Advances

If customers are independently rated, their ratings are used. Otherwise, if there is no independent rating, the Investment Committee assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The Group uses the historical information about counterparty default rates to classify the customers in different groups. Clients of the Group are segmented into two rating classes, customers with no history of default and customers with history of default. The Group regularly validates the performance of the rating and their predictive power with regard to default events.

(b) Debt Securities and Other Bills

For debt securities and other bills, external ratings such as Moody's Investment Service, Standard & Poor's rating, Caricris or their equivalents are used by the Board for managing of the credit risk exposures.

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Risk Limit Control and Mitigation Policies

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries.

The Group limits its credit risk exposure with respect to its debt securities portfolio by investing only in financial instruments with a minimum rating of BAA (Moody's Investment Service) or BBB (Standard & Poor Corporation) and Regional Governments or institutions with high credit worthiness. The Board through the Investments Department and the Investment Committee consistently monitors the performance of these instruments.

The Group constantly monitors its loans and advances portfolio and outstanding contributions. The necessary contact with debtors and employers is maintained to ensure that payments are received in a timely manner, where necessary re-scheduling of repayments is done, which considers the borrowers new financial position. In the event where recovery may seem doubtful, provisions are set aside to cover any potential losses.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to the industry segments as established by the investment policy. Such risks are monitored regularly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below.

<u>Collateral</u>

The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Government guarantee; and
- Charges over business assets such as premises, inventory and accounts receivable.

Longer-term finance and lending to corporate entities are generally secured. In addition, in order to minimise the credit loss the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Impairment and Provisioning Policies

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Group:-

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position; and
- Deterioration in the value of collateral.

The Group's policy requires the review of individual financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at reporting date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to on-balance sheet assets are as follows:-

	2015 $	2014 $
Cash at bank	150,636,766	75,331,135
Short term deposits – cash equivalents	903,137	13,000,256
Fair value through income		
- Debt securities	59,338,877	72,006,528
Loans and receivables		
- Loans to Government of Saint Lucia and statutory bodies	39,831,509	42,831,509
- Other loans	158,053,175	159,503,922
- Other advances and receivables from Government of Saint Lucia	51,106,706	55,138,946
- Contributions receivable	7,650,488	7,609,851
- Other receivables	1,662,666	1,302,711
Projects in progress	1,092,170	190,049
Debt security investments		
- Held-to-maturity	411,436,846	406,998,685
- Loans and receivables	519,290,339	514,824,325
Credit risk exposures relating to off-balance sheet items are as follows:-		
Financial Guarantees		
- Loan commitments and other credit related liabilities	19,781,568	5,194,657
At June 30	1,420,784,247	1,353,932,574

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Maximum exposure to credit risk before collateral held or other credit enhancements (Cont'd)

The above table represents a worst case scenario of credit risk exposure to the Group at June 30, 2015 and 2014, without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in the Consolidated Statement of Financial Position.

As shown above, 18% of the total maximum exposure is derived from loans and receivables (2014 - 20%) 70% represents investments in debt securities other than loans and receivables (2014 - 73%).

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from both its loans and advances portfolio based on the following:

Loans to Government of Saint Lucia which represents the largest percentage of the portfolio, followed by loans to subsidiaries, are backed by collateral;

69% of the loans and advances portfolio are considered to be neither past due nor impaired (2014 - 69%).

The Group continues to grant loans and advances in accordance with its lending policies and guidelines.

Loans and Receivables

Loans and receivables are summarised as follows:-

	2015 $	2014 $
Neither past due nor impaired	202,232,104	207,619,316
Past due but not impaired	37,756,427	41,958,028
Impaired	52,459,343	50,346,203
Gross	292,447,874	299,923,547
Less: Allowance for impairment (Note 8)	(34,046,637)	(32,803,037)
Net	258,401,237	267,120,510

The total impairment provision for loans and receivables recognised in the Consolidated Statement of Comprehensive Income is $1,243,600 (2014 - $1,691,379). Further information on the impairment allowance for loans and receivables is provided in Note 8.

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Loans and Receivables (Cont'd)

(a) Neither past due nor impaired

The credit quality of the portfolio of loans and receivables that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Group.

	Loans		Other advances and receivables		
	Statutory bodies $	Other $	Government Of St. Lucia $	Other $	Total $
June 30, 2015					
Customers with no history of default	24,750,000	150,005,852	18,610,693	8,865,559	202,232,104
June 30, 2014					
Customers with no history of default	27,750,000	151,117,749	19,530,952	9,220,615	207,619,316

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Loans and Receivables (Cont'd)

(b) Past due but not impaired

Gross amount of loans and receivables by class to customers net of unearned interest that were past due but not impaired were as follows:-

	Loans	Other advances and receivables		
	Other $	Government of St. Lucia $	Other $	Total $
June 30, 2015				
With amounts past due up to 30 days	-	260,355	210,088	470,443
With amounts past due 31 to 60 days	-	119,282	64,060	183,342
With amounts past due 61 to 90 days	249,172	56,838	55,399	361,409
With amounts past due over 90 days	4,466,954	32,059,538	214,741	36,741,233
	4,716,126	32,496,013	544,288	37,756,427
Fair value of collateral	12,940,171	-	-	12,940,171
June 30, 2014				
With amounts past due up to 30 days	-	1,073,519	139,395	1,212,914
With amounts past due 31 to 60 days	-	169,150	65,618	234,768
With amounts past due 61 to 90 days	550,768	129,577	49,218	729,563
With amounts past due over 90 days	5,373,748	34,235,748	171,287	39,780,783
	5,924,516	35,607,994	425,518	41,958,028
Fair value of collateral	15,016,234	-	-	15,016,234

Upon initial recognition of loans and receivables, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is updated by reference to market price or indexes of similar assets.

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

(c) Impaired

Other advances and receivables are unsecured.

The table below shows the gross amount of individually impaired loans and receivables before taking into consideration the cash flows from collateral held.

	Loans		Other advances and receivables		
	Statutory body $	Other $	Government of St. Lucia $	Other $	Total $
June 30, 2015					
Impaired	47,693,700	4,427,902	-	337,741	52,459,343
June 30, 2014					
Impaired	46,333,332	3,307,420	370,812	334,639	50,346,203

The impaired loan to a statutory body is secured by a Government guarantee with respect to a principal balance of $20,000,000 together with accrued interest. Other advances and receivables are unsecured.

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Debt securities, treasury bills and other eligible bills

The table below presents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at June 30, 2015, based on Standard & Poor's ratings, Caricris or their equivalent:-

	Treasury bills $	Debt securities $	Total $
A- to A+	-	116,257,559	116,257,559
Lower than A-	32,334,445	404,530,522	436,864,967
Unrated	-	436,943,536	436,943,536
	32,334,445	957,731,617	990,066,062

The table below presents an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at June 30, 2014, based on Standard & Poor's ratings, Caricris or their equivalent:-

	Treasury bills $	Debt securities $	Total $
A- to A+	-	143,062,928	143,062,928
Lower than A-	33,150,038	359,725,408	392,875,446
Unrated	-	457,891,164	457,891,164
	33,150,038	960,679,500	993,829,538

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Concentration of risks of financial assets with credit risk exposure

(a) Geographical Sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the geographical sectors of our counterparties.

	Local $	Regional $	Extra Regional $	Total $
As at June 2015				
Cash and cash equivalents	151,539,903	-	-	151,539,903
Financial assets:				
- Fair value through income	-	-	59,338,877	59,338,877
- Loans and receivables	258,304,544	-	-	258,304,544
Investment securities:				
- Held-to-maturity	389,455,263	21,981,583	-	411,436,846
- Loans and receivables	271,296,425	247,993,914	-	519,290,339
On balance sheet financial position	1,070,596,135	269,975,497	59,338,877	1,399,910,509
Credit commitments	19,781,568	-	-	19,781,568
	1,090,377,703	269,975,497	59,338,877	1,419,692,077
As at June 2014				
Cash and cash equivalents	88,331,391	-	-	88,331,391
Financial assets:				
- Fair value through income	-	-	72,006,528	72,006,528
- Loans and receivables	266,386,939	-	-	266,386,939
Investment securities:				
- Held-to-maturity	376,953,581	30,045,104	-	406,998,685
- Loans and receivables	273,581,832	241,242,493	-	514,824,325
On balance sheet financial position	1,005,253,743	271,287,597	72,006,528	1,348,547,868
Credit commitments	5,194,657	-	-	5,194,657
	1,010,448,400	271,287,597	72,006,528	1,353,742,525

4. Financial Risk Management (Cont'd)

Credit Risk (Cont'd)

Concentration of risks of financial assets with credit risk exposure (Cont'd)

(b) Industry Sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors of our counterparties.

	Financial Institutions $	Utilities $	Government & statutory bodies (local) $	Government (Regional) $	Oil & Energy $	Medical/ Pharmaceutical $	Beverage $	Conglomerates $	Government Extra Regional $	Goods $	Communication $	Machinery & Equipment $	Retail $	Index Funds $	Rental $	Other Industries $	Total $
As at June 2015																	
Cash and cash equivalents	151,539,903	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,539,903
Financial assets:																	
- Fair value through income	22,715,553	-	-	-	2,146,799	1,881,013	1,658,986	2,232,455	5,381,094	1,245,662	3,748,782	1,594,388	2,628,751	9,254,728	-	4,850,666	59,338,877
- Loans and receivables	29,155,428	88,931,515	90,938,215	-	-	-	-	-	-	-	-	-	-	-	40,001,706	9,277,680	258,304,544
Investment securities:																	
- Held-to-maturity	21,608,122	-	389,455,263	373,461	-	-	-	-	-	-	-	-	-		-	-	411,436,846
- Loans and receivables	394,924,628	11,643,381	-	98,323,968	14,398,362	-	-	-	-	-	-	-	-		-	-	519,290,339
	619,943,634	100,574,896	480,393,478	98,697,429	16,545,161	1,881,013	1,658,986	2,232,455	5,381,094	1,245,662	3,748,782	1,594,388	2,628,751	9,254,728	40,001,706	14,128,346	1,399,910,509
Credit Commitments	19,781,568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,781,568
As at June 2014																	
Cash and cash equivalents	88,331,391	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,331,391
Financial assets:																	
- Fair value through income	38,622,269	-	-	-	2,403,404	2,880,685	1,701,845	4,629,814	5,116,495	1,440,099	622,833	1,876,108	1,165,606	9,248,783	-	2,298,587	72,006,528
- Loans and receivables	28,483,873	93,220,325	97,970,455	-	-	-	-	-	-	-	-	-	-	-	37,869,427	8,842,859	266,386,939
Investment securities:																	
- Held-to-maturity	29,628,668	-	376,953,581	416,436	-	-	-	-	-	-	-	-	-		-	-	406,998,685
- Loans and receivables	392,938,347	12,718,617	-	93,422,486	15,744,875	-	-	-	-	-	-	-	-		-	-	514,824,325
	578,004,548	105,938,942	474,924,036	93,838,922	18,148,279	2,880,685	1,701,845	4,629,814	5,116,495	1,440,099	622,833	1,876,108	1,165,606	9,248,783	37,869,427	11,141,446	1,348,547,868
Credit Commitments	5,194,657	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,194,657

4. Financial Risk Management (Cont'd)

Market Risk

(a) Currency Risk

The Group invests internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from recognised assets. The exchange rate of the Eastern Caribbean dollar (EC$) to the United States dollar (US$) has been formally pegged at EC$2.70 = US$1.00 since July 1976.

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's strategy of managing this risk is to limit foreign exchange exposure to Eastern Caribbean dollars and United States dollars, avoid speculation with an aim to keep a balanced portfolio and match foreign currency denominated assets with foreign currency denominated liabilities.

The table below summarises the Group's exposure to foreign currency exchange rate risk at June 30, 2015 and June 30, 2014.

Included in the table are the Group's financial assets and liabilities at carrying amounts, categorised by currency.

Concentration of currency risk – on- and off-balance sheet financial instruments

	EC $	US $	Total $
As at June 2015			
Assets			
Cash and cash equivalents	151,539,903	-	151,539,903
Financial assets:			
- Fair value through income	81,168,360	166,348,128	247,516,488
- Loans and receivables	258,401,237	-	258,401,237
Investment securities:			
- Held-to-maturity	373,088,245	38,348,601	411,436,846
- Loans and receivables	394,924,627	124,365,712	519,290,339
- Available-for-sale	751,880	-	751,880
Total Financial Assets	1,259,874,252	329,062,441	1,588,936,693
Liability			
Trade and other payables	13,417,282	-	13,417,282
Total Financial Liabilities	13,417,282	-	13,417,282
Net on balance sheet financial position	1,246,456,970	329,062,441	1,575,519,411
Credit commitments	19,781,568	-	19,781,568

4. Financial Risk Management (Cont'd)

Market Risk (Cont'd)

(a) Currency Risk (Cont'd)

	EC $	US $	Total $
As at June 2014			
Assets			
Cash and cash equivalents	88,331,391	-	88,331,391
Financial assets:			
- Fair value through income	123,990,792	138,544,776	262,535,568
- Loans and receivables	267,120,510	-	267,120,510
Investment securities:			
- Held-to-maturity	378,743,524	28,255,161	406,998,685
- Loans and receivables	392,938,347	121,885,978	514,824,325
- Available-for-sale	751,880	-	751,880
Total Financial Assets	1,251,876,444	288,685,915	1,540,562,359
Liability			
Trade and other payables	14,404,659	-	14,404,659
Total Financial Liabilities	14,404,659	-	14,404,659
Net on balance sheet financial position	1,237,471,785	288,685,915	1,526,157,700
Credit commitments	5,194,657	-	5,194,657

(b) Price Risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified as available-for-sale or at fair value through income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors.

The majority of the Group's publicly traded equity securities are included on the Eastern Caribbean Stock Exchange (ECSE). At June 30, 2015 if equity securities prices had been 200 basis points higher/lower with all variables held constant reserves for the year would have been $3,763,552 (2014 - $3,810,580) higher/lower as a result of the increase/decrease in fair value of available for sale and fair value through income equity securities.

(c) Cash Flow and Fair Value Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in 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. As the Group does not hold financial instruments with variable rates, it is not exposed to cash flow interest rate risk.

4. Financial Risk Management (Cont'd)

Market Risk (Cont'd)

(c) Cash Flow and Fair Value Risk (Cont'd)

	Up to 1 month $	1-3 months $	3-12 months $	1-5 years $	Over 5 years $	Non-interest Bearing $	Total $
As at June 30, 2015							
Assets							
Cash and cash equivalents	151,539,903	-	-	-	-	-	151,539,903
Financial assets:							
- Fair value through income	-	-	59,338,877	-	-	188,177,611	247,516,488
- Loans and receivables	-	6,438,261	24,544,279	113,511,474	119,457,475	41,727,319	305,678,808
Investment securities:							
- Held-to-maturity	-	14,907,874	67,475,360	265,942,729	166,622,958	-	514,948,921
- Loans and receivables	31,566,228	75,870,955	151,004,907	50,916,916	134,759,352	356,495	444,474,853
- Available-for-sale	-	-	-	-	-	751,880	751,880
Total Financial Assets	183,106,131	97,217,090	302,363,423	430,371,119	420,839,785	231,013,305	1,664,910,853
Liability							
Trade and other payables	-	-	-	-	-	13,417,282	13,417,282
Total Financial Liabilities	-	-	-	-	-	13,417,282	13,417,282
Total interest repricing gap	183,106,131	97,217,090	302,363,423	430,371,119	420,839,785		
As at June 30, 2014							
Total financial assets	143,214,972	108,921,877	301,752,688	459,599,413	346,145,420	235,521,678	1,595,156,048
Total financial liabilities	-	-	-	-	-	14,404,659	14,404,659
Total interest repricing gap	143,214,972	108,921,877	301,752,688	459,599,413	346,145,420		

The Group's fair value interest rate risk arises from debt securities classified as fair value through income. At June 30, 2015 if market interest rates had been 100 basis points higher/lower with all variables held constant, reserves for the year would have been $593,389 (2014 - $720,065) lower/higher as a result of the decrease/increase in fair value of fair value through income debt securities.

4. Financial Risk Management (Cont'd)

Liquidity Risk

The Group is exposed to daily calls on its available cash resources mainly from payments of short-term benefits. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Management ensures that a minimum level of cash and short-term resources are available to meet its current obligations.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the date of the financial statements to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	1 year $	1-5 years $	Over 5 years $	Total $
As at June 30, 2015				
Trade and other payables	12,491,860	-	925,422	13,417,282
As at June 30, 2014				
Trade and other payables	13,554,541	-	850,118	14,404,659

The liquidity position for both operational and the payment of benefits is monitored daily by the Investment Manager, who ensures that the bank accounts are adequately serviced. Transfers are done between bank accounts and the excess of contribution income over benefit payments are taken up by the Investment Manager who will seek to earn above average interest rate margins through investing in high quality, high yielding assets with acceptable risk.

Fair Value Estimation of Financial Instruments

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

The carrying amounts and fair values of financial instruments other than financial assets through income and available-for-sale are as follows:-

	Carrying Amount		Fair Value	
	2015 $	2014 $	2015 $	2014 $
Cash and cash equivalents	151,539,903	88,331,391	151,539,903	88,331,391
- Loans and receivables	258,401,237	267,120,510	232,312,199	273,436,352
Investment securities:				
- Held-to-maturity	411,436,846	406,998,685	400,354,788	394,062,083
- Loans and receivables	519,290,339	514,824,325	514,910,950	510,508,768
Trade and other payables	13,417,282	14,404,659	13,417,282	14,404,659

4. Financial Risk Management (Cont'd)

Fair Value Estimation of Financial Instruments (Cont'd)

The carrying value of cash and cash equivalents, other advances and receivables, and trade and other payables approximate their fair values due to the short-term maturity of these items.

The fair value of held-to-maturity and other loans and receivables financial assets for disclosure purposes are estimated by discounting the future contractual cash flows at the current market rate of 7.69% (2014 - 7.5%) that is available to the Group in respect of similar financial instruments.

The Group is not able to reliably estimate the fair value of available-for-sale financial assets since the shares are not traded in an active market and the future cash flows relating to the investment cannot be reliably estimated.

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

4. Financial Risk Management (Cont'd)

Fair Value Estimation of Financial Instruments (Cont'd)

	Level 1 $	Level 2 $	Level 3 $	Total $
June 30, 2015				
Financial assets at fair value through income				
- Investment securities - debt	59,338,877	-	-	59,338,877
- Investment securities - equity	88,566,288	95,217,611	4,393,712	188,177,611
Financial assets at available for sale				
- Investment securities - equity	-	-	751,880	751,880
Total assets	147,905,165	95,217,611	5,145,592	248,268,368
June 30, 2014				
Financial assets at fair value through income				
- Investment securities - debt	72,006,528	-	-	72,006,528
- Investment securities - equity	60,218,342	125,902,590	4,408,108	190,529,040
Financial assets at available for sale				
- Investment securities - equity	-	-	751,880	751,880
Total assets	132,224,870	125,902,590	5,159,988	263,287,448

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily NYSE, NASDAQ, and OTC Bulletin Board equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter fixed income securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This category includes financial instruments such as mutual funds, preference shares and other equity instruments whose market value could not be readily obtained, and as such, the carrying value has been used to approximate fair value.

4. Financial Risk Management (Cont'd)

Fair Value Estimation of Financial Instruments (Cont'd)

Assets measured at fair value

The following table presents the changes in level 3 instruments for the year ended June 30, 2015 and 2014.

	Financial assets at fair value through income
	Equity securities
	$
June 30, 2015	
At beginning of year	4,408,108
Loss recognized in profit and loss	-
Other changes	(14,396)
At end of year	4,393,712
Total loss for the period included in profit or loss for assets held at the end of the reporting period, under "Investment income"	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	-
June 30, 2014	
At beginning of year	4,356,782
Loss recognized in profit and loss	(337)
Other changes	51,663
At end of year	4,408,108
Total loss for the period included in profit or loss for assets held at the end of the reporting period, under "Investment income"	(337)
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(337)

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Capital Risk Management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern and to meet its statutory obligation to pensioners and contributors.

As further discussed in Note 23, actuarial reviews are conducted periodically in order to ensure that the Group's management has all the information required to adjust the rate of contribution to ensure that the statutory requirements to pensioners and contributors are met.

5. Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of Loans and Advances

The Group reviews its loan portfolio to assess impairment annually. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Held-to-Maturity Investments

The Group follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost. If the entire held-to-maturity investments are tainted, the carrying value would decrease by $11,082,058 (2014 - $12,936,602) with a corresponding entry in the fair value reserve in reserves.

Basis of Allocation of Income and Expenditure

The Group allocates income and expenditure to short-term and long-term benefits in accordance with the approved recommendations of the actuarial review. This allocation involves the use of estimates concerning factors such as demographic, economic and financial assumptions. Assumptions to project benefits and expenses are based on the Group's experience and are updated in each actuarial review.

Fair Value of Investment Properties

The fair value of buildings included in investment properties as at June 30, 2015 is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value of buildings is estimated by discounting expected rentals at market yields. If net cash flows had been 5% higher/lower with all variables held constant, the fair value of investment properties determined using the valuation model would have been $7,851,686 higher/lower (2014 - $7,867,430).

6. Cash and Cash Equivalents

	2015 $	2014 $
Cash at bank and in hand	150,636,766	75,331,135
Short-term deposits	903,137	13,000,256
	151,539,903	88,331,391

The effective interest rate on short-term bank deposits ranges from 0% - 1.5% (2014 : 0% - 3.25%).

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise of the following:-

	2015 $	2014 $
Cash and cash equivalents	151,539,903	88,331,391

7. Financial Assets

The Group's financial assets are summarised by measurement category in the table below:-

	2015 $	2014 $
Fair value through income	247,516,488	262,535,568
Loans and receivables	258,401,237	267,120,510
Investment securities		
- Held-to-maturity	411,436,846	406,998,685
- Loans and receivables	519,290,339	514,824,325
- Available-for-sale	751,880	751,880
Total financial assets	1,437,396,790	1,452,230,968

The assets comprised in each of the categories above are detailed in the tables below:

	2015 $	2014 $
Financial assets at fair value through income		
Equity securities		
- Listed	188,177,611	190,529,040
Debt securities		
- Listed	59,338,877	72,006,528
	247,516,488	262,535,568

Equity securities classified at fair value through income are designated in this category upon initial recognition. There are no non-derivative financial assets held for trading.

Debt securities bear interest rates ranging from 1.5% - 9.75% (2014 – 1.5% - 9.75%).

7. Financial Assets (Cont'd)

The assets comprised in each of the categories above are detailed in the table below:-

	2015 $	2014 $
Investment securities		
Debt securities at fixed interest rates		
- Held-to-maturity - listed	411,436,846	406,998,685
- Loans and receivables - unlisted	519,290,339	514,824,325
	930,727,185	921,823,010
Equity securities		
- Available-for-sale - unlisted	751,880	751,880

The breakdown of debt securities at fixed interest rates into current and non-current portion are shown below:-

	2015 $	2014 $
Current portion	491,625,066	435,150,614
Non-current portion	439,102,119	486,672,396
	930,727,185	921,823,010

Debt securities bear interest rates ranging from 1.5% - 9.75% (2014 – 1.5% - 9.75%). There were no debt securities and available-for-sale financial assets that were considered past due or impaired at the reporting date.

7. Financial Assets (Cont'd)

	Investment Securities Held -to- Maturity $	Investment Securities Loans and Receivables $	Available -for- Sale $	Fair Value Through Income $	Loans and Receivable $	Total $
At the beginning of 2014	364,594,298	537,614,647	751,880	247,814,433	272,301,585	1,423,076,843
Net additions	72,356,440	34,775,612	-	21,381,148	10,712,988	139,226,188
Disposals (redemption)	(29,952,053)	(57,565,934)	-	-	(14,172,977)	(101,690,964)
Net increase in provisions for impairment	-	-	-	-	(1,721,086)	(1,721,086)
Fair value losses on equity/debt securities	-	-	-	(6,660,013)	-	(6,660,013)
At the end of 2014	406,998,685	514,824,325	751,880	262,535,568	267,120,510	1,452,230,968
At the beginning of 2015	406,998,685	514,824,325	751,880	262,535,568	267,120,510	1,452,230,968
Net additions	13,317,275	15,635,322	-	29,697,106	13,155,205	71,804,908
Disposals (redemption)	(8,879,114)	(11,169,308)	-	-	(20,630,878)	(40,679,300)
Net increase in provisions for impairment	-	-	-	-	(1,243,600)	(1,243,600)
Fair value losses on equity/debt securities	-	-	-	(44,716,186)	-	(44,716,186)
At the end of 2015	411,436,846	519,290,339	751,880	247,516,488	258,401,237	1,437,396,790

8. Loans and Receivables

	2015 $	2014 $
Loans and receivables		
Loans to Government of Saint Lucia and statutory bodies	72,443,700	74,083,332
Provision for impairment on loans	(32,612,191)	(31,251,823)
	39,831,509	42,831,509
Other loans	159,149,880	160,349,685
Provision for impairment	(1,096,705)	(845,763)
	158,053,175	159,503,922
	197,884,684	202,335,431
Other advances and receivables		
Due from Government of Saint Lucia		
Other receivables	31,697,865	35,339,819
Finance lease receivables	17,941,907	19,912,164
Contributions receivable	1,466,934	257,775
Provision for impairment	-	(370,812)
	51,106,706	55,138,946
Other receivables		
Contributions receivable	7,650,488	7,609,851
Other receivables	2,097,100	2,370,921
Provision for impairment	(337,741)	(334,639)
	9,409,847	9,646,133
Total loans and receivables	258,401,237	267,120,510

	2015 $	2014 $
Current portion	47,709,181	50,436,164
Non-current portion	210,692,056	216,684,346
	258,401,237	267,120,510

The estimated fair values of loans and receivables are the discounted amount of the estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Interest rates range from 2% - 8.75% (2014 – 2% - 8.75%).

8. Loans and Receivables (Cont'd)

Allowance for Impairment

Reconciliation of allowance account for losses on loans and receivables by class is as follows:

	Loans			
	Statutory bodies $	Other $	Other receivables $	Total $
Balance at July 1, 2014	31,251,823	845,763	705,451	32,803,037
Provision for loan impairment	1,360,368	250,942	3,102	1,614,412
Loans recoveries	-	-	(370,812)	(370,812)
At June 30, 2015	32,612,191	1,096,705	337,741	34,046,637
Balance at July 1, 2013	29,891,455	653,916	566,287	31,111,658
Provision for loan impairment	1,360,368	191,847	157,001	1,709,216
Loans recoveries	-	-	(17,837)	(17,837)
At June 30, 2014	31,251,823	845,763	705,451	32,803,037

The Group has recognised a loss of $1,243,600 (2014 - $1,691,379) for the impairment of its loans and receivables during the year ended June 30, 2015. The losses have been included under expenses attributable to investment income in the Consolidated Statement of Comprehensive Income.

9. Finance Lease Receivable

	2015 $	2014 $
Due from Government of Saint Lucia		
Finance leases	17,143,759	19,273,177
Unpaid charges	798,148	638,987
	17,941,907	19,912,164
Finance leases - gross receivables	25,776,708	29,742,505
Unearned finance income	(7,834,801)	(9,830,341)
	17,941,907	19,912,164
Current receivables	3,185,677	2,775,906
Non-current receivables	14,756,230	17,136,258
	17,941,907	19,912,164
Gross receivables from finance leases		
No later than 1 year	4,923,106	4,763,945
Later than 1 year and not later than 5 years	13,511,331	15,195,231
Later than 5 years	7,342,271	9,783,329
	25,776,708	29,742,505
Unearned future finance income on finance leases	(7,834,801)	(9,830,341)
Net investment in finance leases	17,941,907	19,912,164
The net investment in finance leases may be analysed as follows:		
No later than 1 year	3,185,677	2,775,906
Later than 1 year and not later than 5 years	9,087,062	9,936,899
Later than 5 years	5,669,168	7,199,359
	17,941,907	19,912,164

10. Investment Properties

	2015 $	2014 $
Beginning of year	317,927,403	303,640,364
Additions	4,401,786	18,224,507
Disposals	-	(308,430)
Increase/(decrease) in fair value	3,013,632	(3,629,038)
End of year	325,342,821	317,927,403

The Group's investment properties are carried at fair value. Fair values of land included in investment properties are based on valuations performed by independent, professionally qualified valuers as at June 30, 2015 and 2014. Fair value of investment properties are estimated by discounting expected rentals at market yields.

The following amounts have been recognised in the Consolidated Statement of Comprehensive Income:-

	2015 $	2014 $
Rental income	12,013,122	11,942,360
Direct operating expenses arising from investment properties that generate rental income	4,532,475	4,828,838

11. Property, Plant and Equipment

	Land and Buildings $	Leasehold Improvements $	Motor Vehicles $	Furniture and Equipment $	Computer Hardware $	Computer Software $	Generators $	Maintenance Equipment $	Total $
At June 30, 2013									
Cost	2,780,521	257,836	1,040,788	5,325,972	1,658,681	714,358	325,430	163,277	12,266,863
Accumulated depreciation	(306,662)	(257,836)	(749,923)	(3,739,138)	(1,473,664)	(631,489)	(325,430)	(66,461)	(7,550,603)
Net book value	2,473,859	-	290,865	1,586,834	185,017	82,869	-	96,816	4,716,260
Year ended June 30, 2014									
Opening net book value	2,473,859	-	290,865	1,586,834	185,017	82,869	-	96,816	4,716,260
Additions	-	-	73,000	179,083	2,894	54,406	173,081	4,629	487,093
Disposals	-	-	-	(5,000)	-	-	-	-	(5,000)
Depreciation charge	(33,701)	-	(152,109)	(329,441)	(83,856)	(46,298)	(34,616)	(16,429)	(696,450)
Closing net book value	2,440,158	-	211,756	1,431,476	104,055	90,977	138,465	85,016	4,501,903
At June 30, 2014									
Cost	2,780,521	257,836	876,088	5,425,018	1,660,780	768,764	498,511	167,906	12,435,424
Accumulated depreciation	(340,363)	(257,836)	(664,332)	(3,993,542)	(1,556,725)	(677,787)	(360,046)	(82,890)	(7,933,521)
Net book value	2,440,158	-	211,756	1,431,476	104,055	90,977	138,465	85,016	4,501,903
Year ended June 30, 2015									
Opening net book value	2,440,158	-	211,756	1,431,476	104,055	90,977	138,465	85,016	4,501,903
Additions	-	119,039	-	78,844	338,780	5,366	-	11,555	553,584
Disposals	-	-	-	(1,050)	-	-	-	-	(1,050)
Write back on disposal	-	-	-	857	-	-	-	-	857
Depreciation charge	(33,701)	-	(112,266)	(331,940)	(100,779)	(52,416)	(34,616)	(17,498)	(683,216)
Closing net book value	2,406,457	119,039	99,490	1,178,187	342,056	43,927	103,849	79,073	4,372,078
At June 30, 2015									
Cost	2,780,521	376,875	876,088	5,502,812	1,999,560	774,130	498,511	179,461	12,987,958
Accumulated depreciation	(374,064)	(257,836)	(776,598)	(4,324,625)	(1,657,504)	(730,203)	(394,662)	(100,388)	(8,615,880)
Net book value	2,406,457	119,039	99,490	1,178,187	342,056	43,927	103,849	79,073	4,372,078

11. Property, Plant and Equipment (Cont'd)

(Gain)/loss on Disposal

	Cost $	Accumulated Depreciation $	Net Book Value $	Proceeds $	(Gain)/ loss $
June 30, 2015					
Furniture and equipment	1,050	(857)	193	-	193
June 30, 2014					
Motor vehicles	237,700	(237,700)	-	54,860	(54,860)
Computer hardware	795	(795)	-	-	-
Furniture and equipment	80,037	(75,037)	5,000	40,000	(35,000)
	318,532	(313,532)	5,000	94,860	(89,860)

12. Trade and Other Accounts Payable

	2015 $	2014 $
Trade payables	3,312,946	5,354,937
Benefits payable	1,525,033	1,089,363
Other payables	8,579,303	7,960,359
	13,417,282	14,404,659

	2015 $	2014 $
Current	12,491,860	13,554,541
Non-current	925,422	850,118
	13,417,282	14,404,659

13. Principal Subsidiary Undertakings

	2015 %	2014 %
St. Lucia Mortgage Finance Company Limited	75	75
Castries Car Park Facility Limited	100	100
National Insurance Property Development and Management Company Ltd. (NIPRO)	100	100
Blue Coral Limited	100	100

All holdings are in the ordinary share capital of the undertaking concerned. The companies noted above are all incorporated and domiciled in Saint Lucia.

14. Reserves

	Statutory Reserve $	Portfolio Risk Reserve $	Total $
Balances as at June 30, 2013	1,386,897	137,459	1,524,356
Transfer to statutory reserve	52,224	(90,000)	(37,776)
Balances as at June 30, 2014	1,439,121	47,459	1,486,580
Transfer to statutory reserve	63,532	-	63,532
Balances as at June 30, 2015	1,502,653	47,459	1,550,112

Statutory Reserve

This reserve is maintained in accordance with Section 14(1) of the Banking Act, 1991 which requires that every licensed financial institution maintain a reserve fund and shall, out of its net profit of each year transfer to that fund a sum equal to not less than 20% of such profits whenever the amount of the fund is less than one hundred percent of the paid-up capital of the financial institution.

Excess Loan Fees

It is the policy of St. Lucia Mortgage Finance Company Limited to provide finance not exceeding 80% of the value of the asset. If finance is in excess of 80%, an additional charge of 2.5% of the loan amount is requested and kept as a reserve. In prior years, these fees were recognised as income when the loans were repaid. In the current year the deferred excess loan fees were transferred to the loan balances and it will be accounted for as an adjustment to the effective interest rate of the corresponding loan.

Portfolio Risk Reserve

This reserve represents amounts set aside for impairment losses on loans and advances to comply with the Prudential Credit Guidelines issued by the Eastern Caribbean Central Bank (ECCB) in addition to those losses that have been recognised under IAS 39. The Prudential Credit Guidelines require a provision to be made in respect of the portion of the portfolio where loans are three payments or more in arrears.

By letter dated 23rd July 2009, the ECCB clarified that only when the regulatory requirement for loan loss provisions exceeds provisions determined for accounting purposes that licensees are required to establish a special reserve for the amount by which the regulatory requirement exceeds that computed under the applicable accounting standard.

No further regulatory provision was required as at June 30, 2015.

15. Short-term and Long-term Benefits Fund

Short-term benefits fund is held to cover sickness benefit, maternity allowance and grant, funeral grant, employment injury benefit, hospitalization and medical benefits in respect of qualifying persons.

Long-term benefits fund is held to cover retirement pensions, retirement grants, death and disablement, invalidity and survivors’ benefits in respect of qualifying persons.

16. Detailed Statement of Income and Expenditure

	Short-term		Long-term		Retained Earnings		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Contribution income	18,917,763	17,737,143	92,363,188	86,598,989	-	-	111,280,951	104,336,132
Benefits expenses								
Short-term benefits	(10,348,323)	(9,557,197)	-	-	-	-	(10,348,323)	(9,557,197)
Long-term benefits	-	-	(62,173,010)	(57,713,157)	-	-	(62,173,010)	(57,713,157)
Medical health programme	(5,000,000)	(5,000,000)	-	-	-	-	(5,000,000)	(5,000,000)
	(15,348,323)	(14,557,197)	(62,173,010)	(57,713,157)	-	-	(77,521,333)	(72,270,354)
Surplus of contributions over benefits	3,569,440	3,179,946	30,190,178	28,885,832	-	-	33,759,618	32,065,778
General and administrative expenses	(2,245,135)	(2,348,474)	(10,125,315)	(10,494,515)	(4,085,294)	(4,537,702)	(16,455,744)	(17,380,691)
Income from Operations	1,324,305	831,472	20,064,863	18,391,317	(4,085,294)	(4,537,702)	17,303,874	14,685,087
Other income								
Investment income – net	1,024,804	2,329,121	26,372,496	60,215,104	8,991,595	9,069,055	36,388,895	71,613,280
Increase/(decrease) in fair value of investment properties	154,198	(36,871)	3,968,161	(953,244)	(1,108,727)	(2,638,923)	3,013,632	(3,629,038)
Gain on restructuring of debt	-	-	-	-	-	9,296,703	-	9,296,703
Gain on acquisition of shares		-	-	-	-	4,666,666	-	4,666,666
Other income	94,253	230,755	460,174	1,126,627	383,668	464,412	938,095	1,821,794
	1,273,255	2,523,005	30,800,831	60,388,487	8,266,536	20,857,913	40,340,622	83,769,405
Excess of income over expenditure before finance costs and income tax expense	2,597,560	3,354,477	50,865,694	78,779,804	4,181,242	16,320,211	57,644,496	98,454,492

16. **Detailed Statement of Income and Expenditure (Cont'd)**

	Short-term		Long-term		Retained Earnings		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Excess of income over expenditure before finance costs and income tax brought forward	2,597,560	3,354,477	50,865,694	78,779,804	4,181,242	16,320,211	57,644,496	98,454,492
Finance costs	-	-	-	-	(35,002)	(337,610)	(35,002)	(337,610)
Excess of income over expenditure before income tax	2,597,560	3,354,477	50,865,694	78,779,804	4,146,240	15,982,601	57,609,494	98,116,882
Income tax expense	-	-	-	-	(3,534)	4,545	(3,534)	4,545
Excess of income over expenditure	2,597,560	3,354,477	50,865,694	78,779,804	4,142,706	15,987,146	57,605,960	98,121,427
Attributable to:								
Reserves	2,597,560	3,354,477	50,865,694	78,779,804	4,015,641	15,912,698	57,478,895	98,046,979
Minority interest	-	-	-	-	127,065	74,448	127,065	74,448
Excess of income over expenditure	2,597,560	3,354,477	50,865,694	78,779,804	4,142,706	15,987,146	57,605,960	98,121,427

17. Short-term and Long-term Benefits Expenses

	Short-term Benefits		Long-term Benefits		Total	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
Retirement	-	-	50,282,927	46,411,567	50,282,927	46,411,567
Survivorship	-	-	6,708,250	6,428,335	6,708,250	6,428,335
Sickness	5,940,460	5,248,439	-	-	5,940,460	5,248,439
Maternity	3,598,351	3,624,395	-	-	3,598,351	3,624,395
Invalidity	-	-	4,972,106	4,661,687	4,972,106	4,661,687
Funeral	562,050	523,264	-	-	562,050	523,264
Disablement	-	-	139,594	140,566	139,594	140,566
Employment injury	185,600	134,925	-	-	185,600	134,925
Death	-	-	70,133	71,002	70,133	71,002
Medical expenses	61,862	26,174	-	-	61,862	26,174
	10,348,323	9,557,197	62,173,010	57,713,157	72,521,333	67,270,354

18. Expenses by Nature

	2015 $	2014 $
Administrative and general expenses		
Employee benefits	9,120,444	8,778,685
Electricity, water and sewage	1,340,310	1,422,215
Rent	1,139,344	1,126,256
Repairs and maintenance	980,927	974,370
Depreciation	530,282	519,934
Contribution to National Community Foundation	400,000	400,000
Property tax	359,357	729,668
Public relations	346,940	370,792
Postage and telephone	341,221	343,772
Stationery and printing	316,668	253,829
Security	287,000	284,411
Insurance	242,727	445,518
Audit fees	165,980	178,294
Donations	153,180	101,400
Other	120,979	80,943
Subscriptions	107,082	145,613
Motor vehicle expenses	103,162	149,604
Board expenses	101,686	117,194
Overseas meetings and conferences	92,609	98,116
Professional and legal fees	73,456	688,551
Bank charges	71,008	86,190
Scholarships	31,601	36,404
Management fees	19,698	26,384
Office and general expenses	10,083	22,548
	16,455,744	17,380,691
Expenses attributable to investment income		
Employee benefits	2,636,946	2,460,695
Repairs and maintenance	2,593,149	3,184,413
Provision for loan impairment	1,243,600	1,691,379
Bond premium	897,322	1,387,561
Insurance	742,253	603,645
Electricity, water and sewage	621,262	599,011
Security services	575,811	441,769
Professional and legal fees	239,144	213,934
Depreciation	152,934	176,516
Foreign exchange loss	128,812	142,234
Board expenses	122,728	60,526
Overseas meetings and conferences	92,608	98,116
Audit fees	57,500	62,576
Motor vehicle expenses	38,763	34,447
Bad debts	23,710	62,887
Subcontractor fees	150	361,074
	10,166,692	11,580,783
Total administrative and general expenses and Expenses attributable to investment income	26,622,436	28,961,474

18. Expenses by Nature (Cont'd)

	2015 $	2014 $
Administrative and general expenses and expenses attributable to investment income		
Employee benefits	11,757,390	11,239,380
Repairs and maintenance	3,574,076	4,158,783
Electricity, water and sewage	1,961,572	2,021,226
Provision for loan impairment	1,243,600	1,691,379
Rent	1,139,344	1,126,256
Insurance	984,980	1,049,163
Bond premium	897,322	1,387,561
Security services	862,811	726,180
Depreciation	683,216	696,450
Contribution to National Community Foundation	400,000	400,000
Property taxes	359,357	729,668
Public relations	346,940	370,792
Postage and telephone	341,221	343,772
Stationery and printing	316,668	253,829
Professional and legal fees	312,600	902,485
Board expenses	224,414	177,720
Audit fees	223,480	240,870
Overseas meetings and conferences	185,217	196,232
Donations	153,180	101,400
Motor vehicle expenses	141,925	184,051
Foreign exchange loss	128,812	142,234
Other	120,979	80,943
Subscriptions	107,082	145,613
Bank charges	71,008	86,190
Scholarships	31,601	36,404
Bad debts	23,710	62,887
Management fees	19,698	26,384
Office and general expenses	10,083	22,548
Subcontractor fees	150	361,074
	26,622,436	28,961,474

19. Employee and Management Costs

	2015 $	2014 $
Salaries	9,976,881	9,830,912
Gratuities	624,778	456,918
Other staff cost	1,155,731	951,550
	11,757,390	11,239,380

20. Investment Income - Net

	2015 $	2014 $
Cash and cash equivalents interest income	2,112,686	2,752,571
Fair value through income:		
- Dividend income	4,485,363	4,242,077
- Fair value (losses)/gains on equity/debt securities	(44,716,186)	(6,660,013)
- Interest income on debt securities	1,765,314	2,163,350
Loans and receivables interest income	20,536,648	20,823,621
Investment securities interest income		
- Held-to-maturity	27,710,970	24,958,998
- Loans and receivables	21,394,377	21,743,656
Rental income	12,013,122	11,942,360
Development income	38,246	16,691
Maintenance fees	708,190	758,949
Parking fees	466,060	440,748
Management fees	40,797	11,055
	46,555,587	83,194,063
Expenses attributable to investment income	(10,166,692)	(11,580,783)
	36,388,895	71,613,280

21. Related Party Transactions

The following transactions were carried out with related parties:-

	2015 $	2014 $
Finance lease interest income	1,995,538	2,211,963
Rental income	5,886,584	4,731,015
Interest income	6,797,923	3,486,491

Key management compensation is as follows:-

	2015 $	2014 $
Salaries and wages	2,903,229	2,592,659
Other benefits	587,022	404,129
	3,490,251	2,996,788

Year-end balances with related parties are as follows:-

	2015 $	2014 $
Loans to Government of St. Lucia and Statutory Bodies		
Held-to-maturity investment securities	357,120,818	343,803,543
Loans	39,831,509	42,831,509
Other advances and receivables	31,697,865	34,969,007
Contributions receivable	1,466,934	257,775
Finance lease receivable	17,941,907	19,912,164

22. Taxation

	2015 $	2014 $
Current tax	307	-
Deferred tax	3,227	(4,545)
	3,534	(4,545)

The tax on the Group's income before taxation for the year differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	2015 $	2014 $
Excess of income over expenditure before income tax	57,609,494	98,116,882
Tax calculated at domestic tax rates applicable to income of the respective companies	17,282,848	29,435,065
Tax effect of exempt income	(17,279,578)	(29,439,610)
Effect of tax losses not recognised in the prior year	264	-
	3,534	(4,545)

The weighted average applicable tax rate was 0.006% (2014 – 0.005%).

Deferred tax liability

The Group has recognised deferred tax relating to the subsidiary company, NIPRO which is detailed below:

	2015 $	2014 $
Accelerated capital allowance	11,639	8,412

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

At beginning of year	8,412	12,957
Consolidated Statement of Comprehensive Income credit	3,227	(4,545)
At end of year	11,639	8,412

23. Actuarial Review

Section 24 of the National Insurance Act requires an actuarial review of the National Insurance Fund to be conducted at least every five years.

The tenth actuarial review of the National Insurance Fund as at June 30, 2010 was conducted by an Actuary of the International Labour Organisation.

Key results of the financial and demographic projections based on the contribution and benefit provisions in place as of the valuation date:

- The total population of St. Lucia is expected to increase from 165,568 in 2010 to 183,365 in 2038 and decrease thereafter to 175,497 in 2060.

- The employed population is expected to increase from 67,704 in 2010 to 88,776 in 2036, decreasing thereafter to 78,828 in 2060.

- The aging of the general population will have a significant impact on the ratio of workers to retirees. Those aged 65 and over represent an increasing percentage of the total population, up from 8.6 percent in 2010 to 16.5% in 2035 and 24.6% in 2060.

- Contribution income is expected to be sufficient to meet total expenditure through 2051.

- The NIC is relatively young, so the long term benefits branch has not yet reached a state of maturity and the cost of pensions expressed as a percentage of insurable earnings is still increasing. In 2011, the annual expenditure represented 6.1% of total insurable earnings and will gradually increase to 28.7% in 2063.

- Reserves are expected to begin decreasing in 2036 when total expenditure will begin to exceed total income for the first time. In 2051 projected reserves will be exhausted unless relevant measures are taken to reverse the projected trend.

- The pay-as-you-go rate or the contribution rate that would be required to produce just enough income to meet expenditure if there is no fund will increase gradually from 6.1% in 2011 to over 20% in the long term. This indicates that there will be a need to eventually increase the contribution rate of the branch in order to face its long term cost.

24. Commitments

As at end of year, loans and receivables approved by the Group but not yet disbursed amounted to approximately $19,781,568 (2014 - $5,194,657).

STATISTICAL APPENDIX

The following Statistics have been prepared on a cash basis.

Table 1

Contribution Received by Economic Sector: 2010/15

Economic Sector	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Agriculture, Hunting, Forestry and Fishing	1,148,007	1,475,258	1,173,503	1,273,790	1,248,327
Mining and Quarrying	245,398	371,534	321,526	277,059	481,268
Manufacturing	5,857,735	5,685,616	6,210,345	6,274,715	6,115,139
Electricity, Gas and Water Supply	2,714,031	2,918,090	3,085,859	3,269,525	3,402,727
Construction	2,760,326	3,443,419	3,415,825	3,255,072	3,796,993
Wholesale and Retail Trade	12,680,133	13,076,029	13,459,601	13,456,869	13,371,308
Restaurants and Hotels	17,381,963	20,126,718	19,535,921	20,872,134	22,764,710
Transport, Storage and Communication	6,793,877	6,524,482	6,721,774	7,136,387	7,420,045
Financial Intermediaries	7,650,614	8,313,101	7,789,677	7,957,179	7,978,884
Real Estate, Renting and Business Services	7,739,946	7,448,516	9,076,214	9,568,963	10,642,858
Public Administration and Defence, Compulsory Social Security, Education, Health and Social Work	20,026,103	25,537,299	23,995,805	26,909,774	25,727,634
Community, Social and Personal Services,Households with Employed Persons and Extra-Territorial Organisations and Bodies	6,117,471	6,987,960	6,726,121	6,500,605	6,487,094
Self-Employed	637,673	680,339	755,205	847,294	856,941
Voluntary Contributors	38,861	59,835	63,311	26,800	63,794
Activities not adequately defined	234,375	241,022	273,817	311231.81	350,256
Total	**92,026,511**	**102,889,219**	**102,604,504**	**107,937,397**	**110,707,978**

Table 2

Active Insured Persons by Economic Sector: 2010/15

Economic Sector	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Agriculture, Hunting, Forestry and Fishing	958	820	852	879	895
Mining and Quarrying	144	161	176	183	187
Manufacturing	3,765	3,639	3,516	3,329	3,268
Electricity, Gas and Water Supply	755	808	821	887	943
Construction	2,820	3,079	2,633	1,907	1,768
Wholesale and Retail Trade	8,518	8,501	8,314	8,026	7,975
Restaurants and Hotels	8,960	9,370	9,399	9,459	9,876
Transport, Storage and Communication	3,444	3,400	3,574	3,403	3,544
Financial Intermediaries	2,830	2,862	2,825	2,817	2,876
Real Estate, Renting and Business Services	4,304	3,727	4,638	5,178	5,245
Public Administration and Defence, Compulsory Social Security, Education, Health and Social Work	9,421	9,829	10,259	10,486	10,312
Community, Social and Personal Services, Household with Employed Persons and Extra-Territorial Organisations and Bodies	3,882	4,046	3,761	3,606	3,518
Self-Employed	1,052	1,086	1,123	1,161	1,158
Voluntary Contributors	84	75	66	61	47
Activities not adequately defined	290	294	341	380	410
Total	**51,227**	**51,697**	**52,298**	**51,762**	**52,022**

Table 3

Active Employers by Economic Sector: 2010/15

Economic Sector	Financial Year Ending				
	June 2011	June 2012	June 2013	June 2014	June 2015
Agriculture, Hunting, Forestry and Fishing	131	125	127	132	133
Mining and Quarrying	8	9	9	8	8
Manufacturing	261	259	256	250	256
Electricity, Gas and Water Supply	15	17	17	19	20
Construction	172	165	167	168	171
Wholesale and Retail Trade	644	639	633	625	635
Restaurants and Hotels	392	378	375	374	362
Transport, Storage and Communication	163	167	170	175	171
Financial Intermediaries	125	135	135	140	141
Real Estate, Renting and Business Services	386	394	398	405	410
Public Administration and Defence, Compulsory Social Security, Education, Health and Social Work	263	258	264	274	277
Community, Social and Personal Services, Households with Employed Persons and Extra-Territorial Organisations and Bodies	914	933	955	923	942
Activities not adequately defined	210	202	208	192	192
Total	**3,684**	**3,681**	**3,714**	**3,669**	**3,692**

Table 4

Contributing Employers by Economic Sector: 2010/15

Economic Sector	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Agriculture, Hunting, Forestry and Fishing	114	110	107	107	104
Mining and Quarrying	8	8	8	7	9
Manufacturing	227	230	225	222	217
Electricity, Gas and Water Supply	14	17	19	19	21
Construction	124	127	136	117	96
Wholesale and Retail Trade	619	621	617	623	591
Restaurants and Hotels	340	329	316	326	310
Transport, Storage and Communication	148	158	155	151	162
Financial Intermediaries	117	122	127	130	133
Real Estate, Renting and Business Services	359	352	359	350	347
Public Administration and Defence, Compulsory Social Security, Education, Health and Social Work	266	261	265	271	250
Community, Social and Personal Services, Households with Employed Persons and Extra-Territorial Organisations and Bodies	910	930	921	903	859
Activities not adequately defined	207	207	205	208	99
Total	**3,453**	**3,472**	**3,460**	**3,434**	**3,198**

Table 5

Newly Registered Employers by Economic Sector: 2010/15

Economic Sector	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Agriculture, Hunting, Forestry and Fishing	8	3	7	6	7
Mining and Quarrying	0	0	0	0	2
Manufacturing	18	15	26	20	17
Electricity, Gas and Water Supply	2	2	1	2	1
Construction	30	20	43	14	19
Wholesale and Retail Trade	72	46	67	58	65
Restaurants and Hotels	65	41	35	39	42
Transport, Storage and Communication	12	18	16	7	20
Financial Intermediaries	4	13	5	10	8
Real Estate, Renting and Business Services	44	35	40	30	32
Public Administration and Defence, Compulsory Social Security, Education, Health and Social Work	23	13	19	18	20
Community, Social and Personal Services, Households with Employed Persons and Extra-Territorial Organisations and Bodies	118	120	123	83	68
Activities not adequately defined	73	39	38	32	7
Total	**469**	**365**	**420**	**319**	**308**

Table 6

Short-Term Benefits Paid by Type: 2010/15

Short-Term Benefits	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Employment Injury	132	145	166	157	150
Sickness Allowance	9,909	10,850	10,767	11,966	15,640
Maternity Allowance	778	866	921	892	877
Maternity Grant	772	937	923	917	896
Funeral Grant	245	235	286	306	328
Medical Expenses	77	74	90	63	50
Total	**11,913**	**13,107**	**13,153**	**14,301**	**17,941**

Table 7

Short-Term Benefits Expenditure by Type: 2010/15

Short-Term Benefits	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Employment Injury	162,484	206,314	208,088	139,481	174,268
Sickness Allowance	3,847,781	4,482,785	4,568,549	5,089,859	5,844,952
Maternity Allowance	2,488,955	2,771,392	3,112,546	3,066,501	3,041,745
Maternity Grant	466,200	571,200	557,400	559,200	537,600
Funeral Grant	421,250	405,963	492,023	512,857	569,800
Medical Expenses	3,084,516	3,038,140	3,034,383	5,034,993	5,030,960
Total	**10,471,187**	**11,475,793**	**11,972,990**	**14,402,891**	**15,199,325**

Table 8

Long-Term Benefits Paid by Type: 2010/15

Long-Term Benefits	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Retirement Pension	4,201	4,449	4,683	4,991	5,266
Survivors' Pension	1,054	1,051	1,008	1,057	1,176
Invalidity Pension	396	432	475	509	546
Disablement Pension	12	13	13	16	14
Retirement Grant	394	490	494	543	571
Survivors' Grant	42	56	61	65	66
Invalidity Grant	35	41	35	56	51
Disablement Grant	2	2	3	2	2
Total	**6,136**	**6,534**	**6,772**	**7,239**	**7,692**

Table 9

Long-Term Benefits Expenditure by Type: 2010/15

Long-Term Benefits	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Retirement Pension	35,576,734	38,311,420	40,825,761	43,650,230	47,223,928
Survivors' Pension	4,804,159	5,242,406	5,951,723	6,155,834	6,364,256
Invalidity Pension	3,413,576	3,959,399	4,064,326	4,403,864	4,700,184
Disablement Pension	95,707	99,852	99,111	123,553	97,347
Retirement Grant	1,997,769	2,341,495	2,607,217	2,816,438	3,012,650
Survivors' Grant	154,040	246,288	252,174	303,919	312,442
Invalidity Grant	190,539	197,093	173,385	253,953	146,136
Disablement Grant	34,604	23,394	57,661	18,948	27,510
Total	**46,267,128**	**50,421,347**	**54,031,359**	**57,726,739**	**61,884,453**

Table 10

Pensions Paid by Type: 2010/15

Pensions	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Retirement Pension	4,201	4,449	4,683	4,991	5,266
Survivors' Pension	1,054	1,051	1,008	1,057	1,176
Invalidity Pension	396	432	475	509	546
Disablement Pension	12	13	13	16	14
Total	**5,663**	**5,945**	**6,179**	**6,573**	**7,002**

Table 11

Pensions Expenditure by Type: 2010/15

Pensions	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Retirement Pension	35,576,734	38,311,420	40,825,761	43,650,230	47,223,928
Survivors Pension	4,804,159	5,242,406	5,951,723	6,155,834	6,364,256
Invalidity Pension	3,413,576	3,959,399	4,064,326	4,403,864	4,700,184
Disablement Pension	95,707	99,852	99,111	123,553	97,347
Total	**43,890,175**	**47,613,077**	**50,940,921**	**54,333,481**	**58,385,715**

Table 12

Pensions In-Payment by Type: 2010/15

Pensions	Financial Year				
	10-11*	11-12*	12-13*	13-14*	14-15
Retirement Pension	4,028	4,272	4,526	4,743	5,059
Survivors' Pension	865	975	936	955	1,086
Invalidity Pension	246	293	357	422	501
Disablement Pension	12	13	12	13	13
Total	**5,151**	**5,553**	**5,831**	**6,133**	**6,659**

** Revised Figures*

Table 13

Average Monthly Pensions by Type: 2010/15

Pensions	Financial Year				
	10-11*	11-12*	12-13*	13-14*	14-15
Retirement Pension	758.93	763.42	768.05	785.43	810.37
Survivors' Pension	470.29	478.01	525.86	540.28	536.44
Invalidity Pension	748.15	779.61	806.66	826.52	821.95
Disablement Pension	653.58	657.58	704.92	634.15	661.89

** Revised Figures*

Table 14

Benefits Expenditure by Type and Branch: 2010/15

Benefit Branch	Financial Year				
	10-11	11-12	12-13	13-14	14-15
Long-Term					
Retirement	37,574,502	40,652,915	43,432,978	46,466,668	50,236,578
Survivorship	4,958,199	5,488,694	6,203,897	6,459,753	6,676,698
Incapacitation	3,734,426	4,279,738	4,394,483	4,800,318	4,846,320
Sub-Total	46,267,128	50,421,347	54,031,359	57,726,739	61,884,453
Short-Term					
Employment Injury	162,484	206,314	208,088	139,481	174,268
Sickness Allowance	3,847,781	4,482,785	4,568,549	5,089,859	5,844,952
Maternity Allowance	2,488,955	2,771,392	3,112,546	3,066,501	3,041,745
Maternity Grant	466,200	571,200	557,400	559,200	537,600
Funeral Grant	421,250	405,963	492,023	512,857	569,800
Medical Expenses	3,084,516	3,038,140	3,034,383	5,034,993	5,030,960
Sub-Total	10,471,187	11,475,793	11,972,990	14,402,891	15,199,325
Total	**56,738,314**	**61,897,140**	**66,004,348**	**72,129,630**	**77,083,778**