Petrojam Limited

Financial Statements
31 March 2014

Index

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Independent Auditor's Report

To the Members of
Petrojam Limited

Report on the Financial Statements
We have audited the accompanying financial statements of Petrojam Limited, set out on pages 1 to 49, which comprise the statement of financial position as at 31 March 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these 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 about 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 financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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L.A. McKnight P.E. Williams L.E. Augier A.K. Jain B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Petrojam Limited as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Emphasis of matter

We draw attention to Note 20(b)(i) to these financial statements, which describes the uncertainty related to the outcome of a clarification sought by one of the shareholders regarding the interpretation of an arrangement governing the payment of a commission. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers

Chartered Accountants
9 September 2015
Kingston, Jamaica

Petrojam Limited
Statement of Comprehensive Income
Year ended 31 March 2014
(expressed in United States dollars unless otherwise indicated)

	Note	2014	Restated 2013
		$'000	$'000
Revenue		1,805,436	1,872,753
Cost of sales		(1,770,823)	(1,831,374)
Gross Profit		34,613	41,379
Other operating (expense)/income	7	(1,606)	17,632
Selling and distribution costs		(15,602)	(5,938)
General and administrative expenses		(17,610)	(18,337)
Other operating expenses		(4,306)	(7,650)
Operating (Loss)/Profit		(4,511)	27,086
Interest expense		(632)	(1,134)
(Loss)/Profit before Taxation		(5,143)	25,952
Taxation	8	1,477	(7,338)
Net (Loss)/Profit		(3,666)	18,614
Other comprehensive income, net of taxes -			
Items that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits		(509)	(1,612)
TOTAL COMPREHENSIVE INCOME		(4,175)	17,002

Petrojam Limited
Statement of Financial Position
31 March 2014
(expressed in United States dollars unless otherwise indicated)

	Note	2014	Restated 2013	Restated 2012
		$'000	$'000	$'000
Non-Current Assets				
Property, plant and equipment	9	111,132	97,740	89,407
Long term receivables	10	3,728	7,889	5,877
Pension plan asset	11	2,363	2,076	3,783
		117,223	107,705	99,067
Current Assets				
Inventories	12	176,546	182,885	192,723
Accounts receivable	13	192,810	179,057	178,968
Current portion of long term receivables	10	4,218	2,230	-
Due from related parties	14	18,964	18,862	25,782
Taxation recoverable		4,740	3,757	3,294
Cash and cash equivalents	15	57,459	152,809	158,583
		454,737	539,600	559,350
Current Liabilities				
Accounts payable	16	127,042	105,820	143,913
Due to related parties	14	285,907	340,169	311,965
Borrowings	19	23,301	50,693	52,947
Taxation payable		-	4,906	6,848
		436,250	501,588	515,673
Net Current Assets		18,487	38,012	43,677
		135,710	145,717	142,744
Shareholders' Equity				
Share capital	17	15,282	15,282	15,282
Capital reserves		7,472	7,472	7,472
Retained earnings		106,753	110,928	97,239
		129,507	133,682	119,993
Non-Current Liabilities				
Post - employment benefit obligation	11	3,651	2,730	2,166
Deferred tax liabilities	18	2,552	3,972	4,584
Borrowings	19	-	5,333	16,001
		135,710	145,717	142,744

Approved by the Board of Directors on 4 September 2015 and signed on its behalf by:

Christopher Cargill — Director

Erwin Jones — Director

Petrojam Limited

Statement of Changes in Equity

Year ended 31 March 2014

(expressed in United States dollars unless otherwise indicated)

	Number of Shares '000	Share Capital $'000	Capital Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 April 2012, as previously reported	801,000	15,282	7,472	97,178	119,932
Effect of changes in accounting standard (Note 21)	-	-	-	61	61
Balance at 1 April 2012, restated (Note 21)	801,000	15,282	7,472	97,239	119,993
Net profit, as restated (Note 21)	-	-	-	18,614	18,614
Remeasurements of pension and other retirement benefit obligations	-	-	-	(1,612)	(1,612)
Total comprehensive income 2013, as restated (Note 21)	-	-	-	17,002	17,002
Special financial distribution (Note 14(e))	-	-	-	(3,313)	(3,313)
Balance at 31 March 2013, as restated (Note 21)	801,000	15,282	7,472	110,928	133,682
Net loss	-	-	-	(3,666)	(3,666)
Remeasurements of pension and other retirement benefit obligations	-	-	-	(509)	(509)
Total comprehensive income 2014	-	-	-	(4,175)	(4,175)
Balance at 31 March 2014	801,000	15,282	7,472	106,753	129,507

Petrojam Limited
Statement of Cash Flows
Year ended 31 March 2014
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2014 $'000	Restated 2013 $'000
Cash Flows from Operating Activities			
Net (loss)/profit		(3,666)	18,614
Adjustments for items not affecting cash:			
Depreciation		2,278	3,191
Interest income		(9,565)	(7,208)
Gain on disposal of property, plant and equipment		(270)	-
Pension plan assets		(1,146)	(103)
Post employment benefit obligation		1,101	(15)
Taxation charge		(1,477)	7,338
Interest expense		632	1,134
Exchange and translation losses/(gains) on foreign balances		2,355	4,526
		(9,758)	27,477
Changes in operating assets and liabilities:			
Inventories		6,339	9,838
Accounts receivable		(13,753)	(89)
Due from/(to) related parties		(54,364)	29,242
Accounts payable		21,222	(38,093)
		(50,314)	28,375
Tax paid		(5,662)	(9,578)
Interest received		9,565	7,208
Cash (used in)/provided by operating activities		(46,411)	26,005
Cash Flows from Financing Activities			
Interest paid		(632)	(1,134)
Special financial distribution		-	(3,313)
Long term loan repaid		(10,581)	(10,668)
Cash used in financing activities		(11,213)	(15,115)
Cash Flows from Investing Activities			
Repayments from long term receivables		2,173	1,640
Purchase of property, plant and equipment		(15,675)	(11,524)
Proceeds of disposal of property, plant and equipment		275	-
Cash used in investing activities		(13,227)	(9,884)
Decrease in cash and cash equivalents		(70,851)	(1,006)
Exchange and translation loss on cash and cash equivalents		(2,355)	(4,526)
Cash and cash equivalents at beginning of year		112,783	116,303
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	15	39,577	112,783

The principal non-cash transaction in the prior year relates to an amount due from related party of $5,257,000 which was converted to a loan (Note 10 and 21).

1. Identification and Activities

Petrojam Limited (the "Company") is incorporated and resident in Jamaica. The Company is jointly owned by the Petroleum Corporation Jamaica (PCJ), the Jamaican statutory oil corporation (51%) and PDV Caribe, S.A. (49%).

In 2006, the Government of Jamaica entered into a joint venture arrangement with the Government of the Bolivarian Republic of Venezuela, through the PCJ and PDV Caribe, S.A. a 100% affiliate of Petróleos de Venezuela, S.A. (PDVSA), the Venezuelan wholly owned oil corporation for the expansion, joint operation and management of the Kingston Refinery, owned by the Company. The arrangement ("Joint Venture Agreement") was executed on 14 August 2006 by the PCJ, PDV Caribe, S.A. and Petrojam Limited. As a result PCJ transferred 49% of its share capital in Petrojam Limited to PDV Caribe, S.A. on 31 January 2008.

The company's main activities are the purchase and refining of crude oil at its Kingston oil refinery and the sale of refined petroleum products. The registered office of the company is located at 96 Marcus Garvey Drive, Kingston 11.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

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

Standard, interpretations and amendments to publish standards effective in the current year

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following, which are relevant to its operations.

IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The company has made the appropriate classification.

IAS 19 (revised 2011) 'Employee benefits' (effective 1 January 2013). This amendment eliminates the corridor approach and recognises all actuarial gains and losses in other comprehensive income (OCI) as they occur. All past service costs will be recognised immediately and interest costs and expected return on plan assets will be replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit asset or liability. See Note 11 for the impact on the financial statements.

Petrojam Limited

Notes to the Financial Statements

31 March 2014

(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standard, interpretations and amendments to publish standards effective in the current year (continued)

IFRS 13, 'Fair value measurement', (effective for annual periods beginning on or after 1 January 2013). IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The requirements are similar to those in IFRS 7, 'Financial instruments: Disclosures', but apply to all assets and liabilities measured at fair value, not just financial assets and liabilities. The standard did not have a significant impact on the financial statements as none of the company's assets or liabilities are carried at fair value.

IASB Annual Improvements -
The IASB annual improvements project in 2011 resulted in the amendments to the following standards which may be relevant to the Company's operations. These amendments are effective for the current year.

IAS 1 'Presentation of financial statements'. This amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, statement of profit and loss, balance sheet, it should present the supporting notes to these additional statements. The company has presented a third balance as required by IAS 8.

Amendment to IAS 16, 'Property, plant and equipment which clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. Management has assessed the impact of this standard and has determined that items of spares which meet the criteria of property, plant and equipment are immaterial and as such have not been reclassified.

Petrojam Limited
Notes to the Financial Statements
31 March 2014
(expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standard, interpretations and amendments to publish standards that are not yet effective and have not been early adopted
At the date of authorisation of these financial statements, certain standard, interpretations and amendments to existing standards have been published which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such standard, interpretations and amendments and has determined that the following are relevant to its operations, and has concluded as follows:

IFRS 9, 'Financial instruments' (effective for annual periods beginning on or after 1 January 2018). This new standard, which is part of the IASB's plan to replace IAS 39, retains most of the IAS 39 requirements. The first phase deals with the classification and measurement of financial assets. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The next phase of IFRS 9 deals with financial liabilities. Amortised cost accounting for most financial liabilities is retained, with bifurcation of embedded derivatives. The main change is that in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions.

Management is currently assessing the impact the standard will have on the company's financial statements.

IFRS 15, Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017). The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue as well as requiring entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. The company is assessing the impact of the standard on the financial statements.

Other pronouncements which were published but not yet effective have been determined to be:
- Relevant, but with no material impact on adoption; or
- Not relevant, with no impact on adoption; or
- Inconsequential classifications that will have no material impact when they come into effect

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business. Revenue is shown net of General Consumption Tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods
Revenue represents the invoice price of goods and services sold to customers, net of General Consumption Tax. Revenue is recognised upon delivery of products and customer acceptance or performance of services.

Interest income
Interest income is recognised on an accrual basis.

Other operating income
Other operating income is on an accumulated basis unless collectibility is in doubt.

(c) Financial instruments

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

Financial assets

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

Financial liabilities

The company's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. At the statement of financial position date, accounts payables, due to related parties and borrowings were classified as financial liabilities. At year end date, accounts receivable, due from related parties, long term receivables and cash and cash equivalents were classified as financial assets.

The fair values of the company's financial instruments are discussed in Note 3(e).

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translation

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States dollars, which is deemed to be the company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the closing average exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(e) Property, plant and equipment and depreciation
Land is stated at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight line basis to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life as follows:

Freehold buildings	15 – 25 years
Plant and machinery	10 – 20 years
Furniture, fixtures and other equipment	5 – 10 years
Mobile equipment	5 – 8 years
Ships	20 years

Land is not depreciated as it is deemed to have an indefinite life.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset. Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

2. Summary of Significant Accounting Policies (Continued)

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

(g) Inventories
Inventories are stated at the lower of cost or net realisable value. The cost of crude oil and refined products is determined by the weighted average cost method. Materials and supplies are also determined on the average cost method. Cost of refined products comprises cost of crude oil and direct refinery costs including an appropriate proportion of overhead expenses. Net realisable value is the estimate of selling price in the ordinary course of business.

(h) Trade receivables
Trade receivables are carried at original Invoice amount less provision made for impairment of these receivables. A provision for impairment of these receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written off during the year in which they are identified.

(i) Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments net of bank overdraft.

(j) Accounts payable
Accounts payable are stated at invoice cost.

Petrojam Limited

2. Summary of Significant Accounting Policies (Continued)

(k) Employee benefit costs

(i) Pension plan assets

The company operates a defined benefit plan. The scheme is generally funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of defined benefit plans is the difference between present value of the defined benefit obligation at the reporting date and the fair value of plan assets. Where a pension asset arises, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the Projected Unit Credit Method. Under this method, the cost of providing pensions is charged in arriving at profit or loss so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year. The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

(ii) Other post-employment obligations

The company provides post-employment health care benefits to its retirees. The entitlement to this benefit is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Accrued vacation

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

(iv) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

Petrojam Limited

2. Summary of Significant Accounting Policies (Continued)

(l) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

(m) Taxation

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

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

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

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

Deferred tax is charged or credited in the statement of comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in equity.

(n) Provisions

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

Petrojam Limited

Notes to the Financial Statements
31 March 2014
(expressed in United States dollars unless otherwise indicated)

3. Financial Risk Management

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

Management seeks to minimise potential, adverse effects on the financial performance of the company by applying procedures to identify, evaluate and manage these risks, based on the guidelines set by the Board of Directors.

(a) Credit risk

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

Credit review process

The company has established a credit committee whose responsibility involves regular analysis of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

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

Customer credit risk are monitored according to their credit characteristics such as whether it is an individual or company, industry, aging profile, and previous financial difficulties.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The company addresses impairment assessment on individually assessed allowances.

The company's average credit period on the sale of goods is between 7 to 30 days. The company makes specific provision for receivables by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

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

Petrojam Limited

Notes to the Financial Statements

31 March 2014

(expressed in United States dollars unless otherwise indicated)

3. **Financial Risk Management (Continued)**

(a) **Credit risk (continued)**

Maximum exposure to credit risk

	2014 $'000	Restated 2013 $'000
Credit risk exposures are as follows:		
Long term receivables	7,946	10,119
Accounts receivable	184,082	167,852
Due from related parties	18,964	18,862
Cash and cash equivalents	57,459	152,809
	268,451	359,642

The above table represents a worst case scenario of credit risk exposure to the company at 31 March 2014 and 2013. The exposures set out above are based on net carrying amounts as reported in the statement of financial position.

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

Trade receivables that are less than 45 days past due are not considered impaired. As of 31 March 2014, trade receivables of $62,567,000 (2013- $54,142,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2014 $'000	2013 $'000
1 to 15 days	29,782	39,026
16 to 45 days	32,785	15,116
	62,567	54,142

(ii) Aging analysis of trade receivables

As of 31 March 2014, trade receivables of $3,466,000 (2013 - $3,414,000) were impaired. The amount of the provision was $746,000 (2013 – $657,000).

The aging of these receivables is as follows:

	2014 $'000	2013 $'000
3 to 6 months	870	1,474
Over 6 months	2,596	1,940
	3,466	3,414

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(iii) Movements on the provision for impairment of trade and other receivables are as follows:

	2014 $'000	2013 $'000
At 1 April	29,765	33,812
Unused provisions reversed	(3)	(165)
Receivables written off during the year as uncollectible	-	(81)
Additional provision	159	-
Exchange adjustment	(2,963)	(3,801)
At 31 March	26,958	29,765

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

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

(iv) Trade receivables

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

	2014 $'000	2013 $'000
Retail distributors	42,391	43,722
Bunkering	9,130	11,905
Independent power providers and bauxite companies	116,828	97,791
Other	2,216	4,611
	170,565	158,029
Less: Provision for credit losses	(746)	(657)
	169,819	157,372

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3. Financial Risk Management (Continued)

(b) Liquidity risk

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

Liquidity risk management process

The company's liquidity management process, as carried out within the company and monitored by management, includes:

(i) Monitoring future cash flows and liquidity on a daily basis.
(ii) Maintaining committed trade loan facilities;
(iii) Optimising cash returns on investment;

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

Financial liabilities cash flows

The tables below summarises the maturity profile of the company's financial liabilities at 31 March based on contractual undiscounted payments.

	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 31 March 2014:					
Accounts payable	113,446	-	-	-	113,446
Borrowings	18,019	5,452	-	-	23,471
Due to related parties	285,907	-	-	-	285,907
Total financial liabilities (contractual maturity dates)	417,372	5,452	-	-	422,824

	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
As at 31 March 2013, restated:					
Accounts payable	94,439	-	-	-	94,439
Borrowings	40,026	11,200	5,466	-	56,692
Due to related parties	306,136	33,100	933	-	340,169
Total financial liabilities (contractual maturity dates)	440,601	44,300	6,399	-	491,300

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term investments. The company has floating rate undrawn borrowing facilities totalling US$67,289,000 (2013 – US$70,844,000) and J$101,500,000 (2013 – J$101,500,000) and fixed rate undrawn borrowing facilities totalling US$50,691,000 (2013 - US$54,155,000). The facilities expire within one year and are subject to review at several points during the year.

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3. **Financial Risk Management (Continued)**

(c) **Market risk**

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the chief financial officer who monitors the price movement of financial assets on the local and international markets, and is advised of market developments by brokers operating within the financial market. Market risk exposures are measured using sensitivity analysis.

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

(i) Currency risk

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

The company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Jamaican dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

Concentrations of currency risk

The table below summarises the exposure to foreign currency exchange rate risk at 31 March.

	US$	Jamaican$	EURO	Total
	US$'000	US$'000	US$'000	US$'000
At 31 March 2014:				
Financial Assets				
Long term receivables	1,006	6,940	-	7,946
Accounts receivable	140,651	43,431	-	184,082
Due from related parties	4,478	14,486	-	18,964
Cash and cash equivalents	19,615	37,842	2	57,459
Total financial assets	165,750	102,699	2	268,451
Financial Liabilities				
Accounts payable	97,198	16,248	-	113,446
Due to related parties	282,558	3,349	-	285,907
Borrowings	23,301	-	-	23,301
Total financial liabilities	403,057	19,597	-	422,654
Net financial position	(237,307)	83,102	2	(154,203)

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3. **Financial Risk Management (Continued)**

(c) **Market risk (continued)**

(i) Currency risk (continued)

	US$ US$'000	Jamaican$ US$'000	EURO US$'000	Total US$'000
At 31 March 2013, as restated:				
Financial Assets				
Long term receivables	1,006	9,113	-	10,119
Accounts receivable	131,051	36,801	-	167,852
Due from related parties	15,608	3,254	-	18,862
Cash and cash equivalents	26,016	126,791	2	152,809
Total financial assets	173,681	175,959	2	349,642
Financial Liabilities				
Accounts payable	74,199	20,240	-	94,439
Due to related parties	334,510	5,659	-	340,169
Borrowings	56,026	-	-	56,026
Total financial liabilities	464,735	25,899	-	490,634
Net financial position	(291,054)	150,060	2	(140,992)

Foreign currency sensitivity

The following tables indicate the currencies to which the company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% revaluation and 15% devaluation (2013 – 1% revaluation and 10% devaluation) in foreign currency rates. The sensitivity of the profit was primarily as a result of foreign exchange gains/losses on translation of Jamaican dollar-denominated receivables, payables and borrowings. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis.

	% Change in Currency Rate 2014	Effect on Net Loss 2014 $'000	% Change in Currency Rate 2013	Effect on Net Profit 2013 $'000
JMD - Revaluation	1%	(831)	1%	1,500
JMD - Devaluation	15%	12,465	10%	(15,006)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

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

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

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

	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2014:					
Assets					
Long term receivables	3,475	625	3,846	-	7,946
Accounts receivable	-	-	-	184,082	184,082
Due from related parties	-	-	-	18,862	18,862
Cash and cash equivalents	57,459	-	-	-	57,459
Total financial assets	60,934	625	3,846	202,944	268,349
Liabilities					
Accounts payable	-	-	-	113,446	113,446
Due to related parties	-	-	-	285,907	285,907
Borrowings	17,982	5,319	-	-	23,301
Total financial liabilities	17,982	5,319	-	399,353	422,654
Total interest repricing gap	42,952	(4,694)	3,846	(196,409)	(154,305)
Cumulative repricing gap	42,952	38,258	42,104	(154,305)	

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2013, as restated:					
Assets					
Long term receivables	1,396	991	7,732	-	10,119
Accounts receivable	-	-	-	167,852	167,852
Due from related parties	-	-	-	18,862	18,862
Cash and cash equivalents	152,809	-	-	-	152,809
Total financial assets	154,205	991	7,732	186,714	349,642
Liabilities					
Accounts payable	-	-	-	94,439	94,439
Due to related parties	304,713	33,100	933	1,423	340,169
Borrowings	40,026	10,667	5,333	-	56,026
Total financial liabilities	344,739	43,767	6,266	95,862	490,634
Total interest repricing gap	(190,534)	(42,776)	1,466	90,852	(140,992)
Cumulative repricing gap	(190,534)	(233,310)	(231,844)	(140,992)	

Interest rate sensitivity

The company does not have any sensitivity to interest rate risk as all borrowings and deposits are at a fixed rates of interest.

Petrojam Limited

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3. Financial Risk Management (Continued)

(d) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The company is not subject to externally imposed capital requirements.

(e) Fair value estimation

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 are best evidenced by a quoted market price, if one exists.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There are no financial assets or liabilities that are measured at fair value.

The fair values of due from/to related parties, receivables, cash and cash equivalents and payables approximate their carrying values, due to their short-term nature.

The fair value of deposits included in long term receivables could not be reasonably estimated as there is no fixed repayment date. The fair value of long term receivables from Jamaica Aircraft Refueling Services Limited and long term loans are deemed to approximate their carrying value as interest on the amounts are at prevailing market rate for similar loans. The fair value of long term receivables from Petroleum Company of Jamaica and Petrojam Ethanol Limited has been estimated by discounting the cash flows at market interest rate.

The fair value of long term receivables is as follows:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$'000	$'000	$'000	$'000
Deposits	756	756	804	804
Loan to associated company	7,190	6,112	9,315	8,663

The fair values for loans to associates are classified as level 2. There were no transfers between levels during the year.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

(a) Estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The main estimates and assumptions that may have an impact on the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income taxes

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

(ii) Pension and post-employment benefits

Accounting for pension benefits require an estimation of the amount of benefit that employees have earned in return for their service in the current and prior periods. The present value of these pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. These actuarial assumptions are based on management's best estimate of the variables that will determine the ultimate cost of providing pension benefits and comprise both demographic and financial assumptions. Any changes in these assumptions will impact the carrying amount of the pension obligations.

One of the primary assumptions used in determining the net periodic cost (income) for pension benefits is the discount rate. The company determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the company considered interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions are based in part on current market conditions. Additional assumptions and sensitivity information are disclosed in Note 11.

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Judgements

(i) Provision for impairment of trade receivables

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

The company has made a claim on the Collector of Customs for CET recoverable of US$26,165,000 (J$ J$2,859,479,000), (2013 - US$29,056,000 (J$2,859,479,000)) which is based on amounts paid over to the Collector of Customs in relation to products purchased which were subsequently exported. The collectibility of this amount is dependent on the company providing adequate supporting documentation to the Collector of Customs. An impairment charge of US$26,165,000 (J$2,859,479,000), (2013 - US$29,056,000 (J$2,859,479,000)) has been recognised on this receivable as the date of the collectibility is not certain. See Note 13 for further details.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods and judgements based on certain assumptions in an effort to arrive at these estimates and assumptions including the assumptions that the company will continue as a going concern.

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5. Expenses by Nature

	2014 $'000	Restated 2013 $'000
Auditors' remuneration	69	74
Advertising, promotion and public relations	621	521
Bad debts	155	(80)
Chemicals and other consumables	1,193	1,106
Cost of inventories recognised as expense	1,748,862	1,804,458
Contracted services	1,951	2,934
Delivery charges	501	1,058
Demurrage	2,454	1,977
Depreciation	2,278	3,191
Dues and subscriptions	299	194
Electricity	6,185	7,029
Excise and customs	1,487	1,126
Fuel consumed by shipping division	2,729	4,091
General and sundry	883	1,634
Hydrogen and nitrogen	132	180
Inspection and testing	490	426
Insurance	6,525	5,067
Irrecoverable General Consumption Tax	5,658	5,296
Legal and professional fees	569	893
Management fees	96	112
Provision for tax assessment	1,136	-
Repairs and maintenance	6,824	5,872
Service equipment	1,624	1,479
Ship agency fees	706	773
Ship hireage	5,984	6,127
Staff costs (Note 6)	15,973	17,174
Telephone charges	261	201
Training expenses	486	428
Travelling	352	256
Water and sewage charges	1,493	1,197
Total cost of sales, distribution, administrative, general, other operating expenses and shipping	1,817,996	1,874,794

Included in the above are expenses totalling $9,635,000 (2013 – $11,495,000) relating to the shipping division which is included in other operating income.

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6. Staff Costs

Staff costs comprise:

	2014	Restated 2013
	$'000	$'000
Salaries and wages	10,092	11,486
Payroll taxes – Employer's Contribution	1,226	1,028
Pension benefit (Note 11(a))	174	(9)
Post employment benefit obligation (Note 11(b))	392	302
Other	4,089	4,367
	15,973	17,174

7. Other Operating (Expense)/Income

	2014	Restated 2013
	$'000	$'000
Interest income	9,565	7,208
Management fees	249	274
Shipping division loss	(845)	(1,895)
Insurance claim proceeds	-	6,275
Exchange (loss)/gains	(12,449)	4,191
Other	1,874	1,579
	(1,606)	17,632

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8. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes and comprises income tax at 25% (2013 - 30%):

	2014	Restated 2013
	$'000	$'000
Current tax charge	-	7,173
Prior year over provision	(227)	-
Deferred taxation (Note 18)	(1,250)	165
	(1,477)	7,338

	2014	Restated 2013
	$'000	$'000
(Loss)/profit before tax	(5,143)	25,952
Tax calculated at a rate of 25% (2013 - 30%)	(1,286)	7,786
Adjusted for the effects of:		
Income not subject to tax	-	(53)
Expenses not deductible for tax purposes	-	1
Prior year over provision of tax	(227)	-
Adjustment to prior year deferred tax	1,349	-
Change in tax rate	(1,032)	(395)
Other	(281)	(1)
	(1,477)	7,338

Subject to agreement with Tax Administration Jamaica, losses available for offset against future profits at 31 March 2014 amounted to US$8,358,000 (2013 - Nil).

8. Taxation (Continued)

During the 2012/13 budget presentation, the Government of Jamaica announced a reduction in the corporate income tax rate for unregulated entities, from 33 1/3% to 25%, effective 1 January 2013. The change in the tax rate was signed into law on 28 December 2012.

On 12 February 2013, the Minister of Finance and Planning announced in Parliament that a surtax of 5% would be imposed on the taxable income of "large unregulated companies" effective from 1 April 2013. Based on Ministry Paper 15 of 2013 issued by the Ministry of Finance and Planning, "large unregulated companies" were to be defined as those companies with gross income equal to or greater than $500,000,000, that are not regulated by the Financial Services Commission, the Bank of Jamaica, the Ministry of Finance and Planning or the Office of Utilities Regulation. This represented an addition to the 25% tax rate levied as at 1 January 2013 and as such was applied in determining the amounts for deferred taxation in the financial statements for the year ended 31 March 2013.

During the current year, the Government of Jamaica continued its reform of taxes. As a result of this a Fiscal Incentives Act dated 20 December 2013 was signed into law. Under this Act the tax rate for large unregulated companies was reduced from 30% to 25% effective 1 January 2014. As such this rate was applied in determining the amounts for deferred taxation in the financial statements for the year ended 31 March 2014.

Tax (charge)/credit relating to components of other comprehensive income are as follows:

	2014		
	Before Tax	**Tax Effect**	**After Tax**
	$'000	**$'000**	**$'000**
Re-measurements of post-employment benefits	679	(170)	509
Other comprehensive income	679	(170)	509

	2013		
	Before Tax	**Tax Effect**	**After Tax**
	$'000	**$'000**	**$'000**
Re-measurements of post-employment benefits	2,389	(777)	1,612
Other comprehensive income	2,389	(777)	1,612

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9. Property, Plant and Equipment

	Freehold Land and Buildings	Plant and Machinery	Furniture, Fixtures & Equipment	Mobile Equipment	Ships	Capital Work in Progress	Total
At Cost -	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 April 2012	6,704	46,055	5,274	738	1,112	52,275	112,158
Additions	42	-	146	4	-	11,332	11,524
Disposal	-	-	(1)	-	-	-	(1)
Transfers	5,524	2,949	637	245	-	(9,355)	-
At 1 April 2013	12,270	49,004	6,056	987	1,112	54,252	123,681
Additions	1,748	973	354	200	-	12,400	15,675
Disposal	-	(127)	-	(12)	(1,112)	-	(1,251)
Transfers	358	4,768	303	174	-	(5,603)	-
At 31 March 2014	14,376	54,618	6,713	1,349	-	61,049	138,105
Depreciation -							
At 1 April 2012	1,146	17,038	3,072	645	850	-	22,751
Charge for the year	257	2,301	453	38	142	-	3,191
Disposal	-	-	(1)	-	-	-	(1)
At 1 April 2013	1,403	19,339	3,524	683	992	-	25,941
Charge for the year	146	1,632	345	35	120	-	2,278
Disposal	-	(127)	-	(7)	(1,112)	-	(1,246)
At 31 March 2014	1,549	20,844	3,869	711	-	-	26,973
Net Book Value -							
31 March 2014	12,827	33,774	2,844	638	-	61,051	111,132
31 March 2013	10,867	29,665	2,532	304	120	54,252	97,740

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10. Long Term Receivables

	2014 $'000	Restated 2013 $'000
Deposits	756	804
Loans to associated companies	7,190	9,315
	7,946	10,119
Less current portion	(4,218)	(2,230)
	3,728	7,889

a) The deposits are with financial institutions under arrangements made to facilitate mortgage loans to employees of the company.

b) Included in loans to associated companies are three loans. One loan is to Jamaica Aircraft Refuelling Services Limited, for $1,006,000 (2013 - $1,006,000), one to Petroleum Company of Jamaica Limited for $2,177,000 (2013 – $3,052,000) and the other to Petrojam Ethanol Limited for $4,007,000 (2013 - $5,257,000) (Note 14(f)).

i) The loan receivable from Jamaica Aircraft Refuelling Services Limited is unsecured. Interest is repayable quarterly in arrears at 5%+ libor. Final repayment of the loan is being negotiated.
ii) The loan receivable from Petroleum Company of Jamaica Limited is unsecured. It is repayable annually in arrears at variable instalments over a 62 month period, commencing in April 2009. The loan is denominated in Jamaican dollars.
iii) The loan receivable from Petrojam Ethanol Limited is unsecured. The principal is to be repaid commencing in July 2012 with twenty-one (21) quarterly instalments. The loan is unsecured, bears interest of 3% per annum and matures July 2017. The loan is denominated in Jamaican dollars.

11. Pensions and Other Post – Employment Benefit Obligations

	2014 $'000	Restated 2013 $'000
Assets/(liabilities) recognised in the statement of financial position:		
Pension plan assets	2,363	2,076
Other post employment obligations	(3,651)	(2,730)
Amounts recognised in profit or loss:		
Pension plan assets	174	(9)
Other post employment obligations	392	302
Amounts recognised in other comprehensive income:		
Pension plan assets	(180)	1,810
Other post employment obligations	859	579

The pension scheme is funded by contributions from employees at a fixed rate with employer contributing such funds as are necessary to meet the balance of the liabilities of the plan. The plan is valued by independent actuaries. Retirement and other benefits are based on salary at the date of retirement.

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11. Pensions and Other Post – Employment Benefit Obligations (Continued)

The amounts recognised in the statement of financial position are determined as follows:

	2014 $'000	Restated 2013 $'000
Present value of funded obligations	(17,107)	(17,616)
Fair value of plan assets	19,470	19,692
Asset in the statement of financial position	2,363	2,076

(a) Pension plan asset

The movement in the fair value of plan assets during the year was as follows:

	2014 $'000	Restated 2013 $'000
At beginning of year	19,692	21,512
Interest Income	1,596	1,698
Re-measurement	131	(976)
Contributions	944	1,088
Exchange losses	(1,959)	(2,775)
Benefits paid	(934)	(855)
At end of year	19,470	19,692

The movement in the present value of the defined benefit obligation during the year was as follows:

	2014 $'000	Restated 2013 $'000
At beginning of year	17,616	17,034
Current service cost	384	336
Interest cost	1,387	1,297
Employee contribution	456	519
Re-measurement	(49)	1,483
Exchange gains	(1,753)	(2,198)
Benefits paid	(934)	(855)
At end of year	17,107	17,616

11. Pensions and Other Post – Employment Benefit Obligations (Continued)

(a) Pension plan asset (continued)

The amounts recognised in the profit or loss in staff costs are as follows:

	Note	2014 $'000	Restated 2013 $'000
Current service costs		384	336
Net interest costs -			
Interest cost on defined benefit obligation		1,388	1,306
Interest income on plan assets		(1,598)	(1,705)
Interest on effect of asset ceiling		-	54
	6	174	(9)

The amounts recognised in other comprehensive income are as follows:

	2014 $'000	Restated 2013 $'000
Re-measurements -		
Experience adjustments	(2,615)	2,474
Change in effect of the asset ceiling	-	(664)
Change in demographic assumptions	1,483	-
Change in financial assumptions	1,312	-
	180	1,810

The actual return on the plan assets was $1,921, 000 (2013 – $935,000).

The expected contribution for the next year is $987,000.

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11. Pensions and Other Post – Employment Benefit Obligations (Continued)

(a) Pension plan asset (continued)

The distribution of plan assets was as follows:

	2014		2013	
	$'000	%	$'000	%
Equity Fund	5,640	29	6,269	32
Fixed Income Fund	7,309	38	7,987	41
Mortgage and Real Estate Fund	1,594	8	1,385	7
Money Market Fund	10	-	10	-
Foreign Currency Fund	2,090	11	1,309	7
Value of immediate annuities	2,582	13	2,412	12
Inflation index bond	211	1	232	1
	19,436	100	19,604	100
Other	34	-	88	-
	19,470	100	19,692	100

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(1,973)	272,934
Future salary increases	1%	1,060	(98,396)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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11. Pensions and Other Post – Employment Benefit Obligations (Continued)

(b) Other post-employment benefit obligations

The company also participates in a post-employment healthcare benefit scheme operated by Sagicor Life of Jamaica Limited. Funds are not built-up to cover the obligations under this retirement benefit schemes.

The amounts recognised in the statement of financial position are determined as follows:

	2014 $'000	Restated 2013 $'000
Present value of unfunded obligations	3,651	2,730
Liability in the statement of financial position	3,651	2,730

The movement in the present value of the defined benefit obligation during the year was as follows:

	2014 $'000	Restated 2013 $'000
At beginning of year	2,730	2,201
Current service cost	149	114
Interest cost	243	188
Re-measurement	858	575
Exchange gains	(272)	(282)
Benefits paid	(57)	(66)
At end of year	3,651	2,730

The amounts recognised in the statement of comprehensive income are as follows:

	Note	2014 $'000	Restated 2013 $'000
Current service costs		149	114
Net interest costs		243	188
	6	392	302

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11. Pensions and Other Post – Employment Benefit Obligations (Continued)

(b) Other post-employment benefit obligations (continued)

The amounts recognised in other comprehensive income are as follows:

	2014 $'000	Restated 2013 $'000
Re-measurements		
Experience adjustments	(135)	579
Change in demographic assumptions	603	-
Change in financial assumptions	391	-
	859	579

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		$'000	$'000
Discount rate	1%	(1,975)	2,499
Medical inflation	1%	952	(710)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The principal actuarial assumptions used in determining pension plan assets and other post-retirement benefits were as follows:

	2014	2013
Discount rate	10.0%	10.0%
Expected return on plan assets	7.0%	7.0%
Future salary increases	5.5%	5.5%
Future pension increases	2.75%	2.75%
Inflation rate	5.5%	5.5%
Medical inflation	9.5%	9.5%

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11. Pensions and Other Post – Employment Benefit Obligations (Continued)

(b) Other post-employment benefit obligations (continued)

Post-employment mortality for active members and mortality for pensioners and deferred pensioners is based on the American 1994 Group Annuitant Mortality (GAM94) table, with ages rated down by 6 years.

The specimen rates of termination from active service are as follows:

Age Range	%
20 – 40	10.0-5.0
40 – 50	5.0-0.0

(c) Risks associated with pension plans and post-employment plans

Through its defined benefit pension plan, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

The company believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the company's long term strategy to manage the plans efficiently. See below for more details on the company's asset-liability matching strategy.

Changes in bond yields
A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk
Higher inflation will lead to higher liabilities. The majority of the plan's assets are unaffected by fixed interest investments, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

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12. Inventories

	2014	2013
	$'000	$'000
Materials and supplies	4,060	3,853
Raw materials	75,480	28,484
Goods in transit	-	58,780
Refined products	97,006	91,768
	176,546	182,885

13. Accounts Receivable

	2014	2013
	$'000	$'000
Trade	170,565	158,029
Prepaid expenses	8,728	11,205
Other	40,475	39,588
	219,768	208,822
Less: Provision for doubtful accounts	(26,958)	(29,765)
	192,810	179,057

Included in other receivables is an amount of US$26,165,000 (J$2,864,563,000), (2013 – US$29,057,000 (J$2,859,479,000)) representing a claim to the Commissioner of Customs for rebates in relation to the sale of products to exempt customers. The collection of this amount is subject to verification exercises by the Customs Authorities. The company is currently in negotiations with the Commissioner and is of the opinion that the amount is collectible. Due to the magnitude of the amount, as well as the protracted state of negotiations, a prudent decision was made to fully provide for the balance. The Board is fairly confident that most if not all the balance will be collected.

Petrojam Limited

14. Related Party Transactions and Balances

(a) Year-end balances arising from sales/purchases of goods and services

The amounts due from/(to) related parties are unsecured and non-interest bearing.

	2014	Restated 2013
	$'000	$'000
Petroleum Company of Jamaica Limited	8,443	9,249
Jamaica Aircraft Refuelling Services Limited	10,521	9,613
	18,964	18,862
Petrojam Ethanol Limited	(96)	(858)
Petrocaribe Development Fund	(124,354)	(228,027)
Petroleum Corporation of Jamaica	(3,253)	(2,064)
Petroleos De Venezuela	(158,204)	(109,220)
	(285,907)	(340,169)
	(266,943)	(321,307)

(b) Related Party Transactions

During the year, the company had the following transactions with related companies that are under the common control of the shareholders of the company:

	2014	2013
	$'000	$'000
Crude oil and products purchased from parent corporation including commission charged on purchases	1,553,235	1,613,172
Product purchased from associated company	41,658	35,677
Management fees paid to parent corporation	98	112
Management fees received from associated company	(249)	(274)
Sales to associated company	181,092	117,355
Other charges to associated company	(943)	(1,069)

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14. Related Party Transactions and Balances (Continued)

(c) Loans to key management

	2014	2013
	$'000	$'000
At beginning of the year	62	129
Additions	60	7
Repayments	(31)	(77)
Interest charged	1	4
Foreign exchange difference	(9)	(1)
Balance at year end	83	62

There were no loans made to directors during the current or prior year.

(d) Key management compensation

	2014	2013
	$'000	$'000
Salaries and other short term benefits	751	996
Payroll taxes – Employer's Contribution	68	72
Pension benefits	52	78
Other benefits	145	-
	1,016	1,146

Included in the above figures are the following amounts in respect of Directors' emoluments-

	2014	2013
	$'000	$'000
Fees	1	11
Management remuneration (included above)	-	-

(e) Special financial distribution

	2014	2013
	$'000	$'000
Petroleum Corporation of Jamaica	-	1,690
Petroleos De Venezuela	-	1,623
	-	3,313

In the prior year, as per the requirements of the Public Bodies (Financial Distribution) Regulations 2012, the company distributed $1,049,000 as a special financial distribution to its shareholder, Petroleum Corporation of Jamaica for further distribution to the Consolidated Fund. In addition, an amount of $641,000 was accrued in 2013 for further distribution to the Petroleum Corporation of Jamaica. As a consequence of this special distribution an amount of $1,623,000 was also accrued for distribution to the company's other shareholder, Petroleos De Venezuela.

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14. Related Party Transactions and Balances (Continued)

(f) Loans to related parties

	2014 $'000	Restated 2013 $'000
Jamaica Aircraft Refuelling Services Limited -		
Opening and closing balance (Note 10)	1,006	1,006
Petroleum Company of Jamaica Limited -		
Opening balance	3,052	4,044
Repayments	(875)	(992)
Closing Balance (Note 10)	2,177	3,052
Petrojam Ethanol Limited -		
Opening balance	5,257	-
Additions	-	5,825
Principal repaid	(1,250)	(568)
Interest paid	(106)	(114)
Interest charged	106	114
Closing Balance (Note 10)	4,007	5,257
	7,190	9,315

(g) Loans from related parties

	2014 $'000	2013 $'000
Petrocaribe Development Fund -		
Opening balance	16,000	26,668
Principal repaid	(10,681)	(10,668)
Interest paid	(601)	(1,134)
Interest charged	601	1,134
Closing balance (Note 19)	5,319	16,000

15. Cash and Cash Equivalents

	2014	2013
	$'000	$'000
Cash	29,883	111,727
Deposits	27,257	40,773
Interest receivable	319	309
	57,459	152,809

The weighted average effective interest rate on short term deposits for the year was:

	2014	2013
	%	%
- J$	6.74	6.48
- US$	3.42	3.73
- Euro	1.50	-

The company has an overdraft facility of J$100,000,000 with the Bank of Nova Scotia Jamaica Limited.

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

	2014	2013
	$'000	$'000
Cash and deposits	57,459	152,809
Short term loans (Note 19(b))	(17,882)	(40,026)
	39,577	112,783

16. Accounts Payable

	2014	Restated 2013
	$'000	$'000
Trade	97,198	80,830
Accrued liabilities	13,596	11,381
Other	16,248	13,609
	127,042	105,820

17. Share Capital

	2014	2013
	$'000	$'000
Authorised 801,000,000 ordinary shares		
Issued and fully paid –		
801,000,000 ordinary shares	15,282	15,282

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18. Deferred Taxation

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25% (2013 - 30 %).

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

	2014	Restated 2013
	$'000	$'000
Balance as at 1 April	3,972	4,584
(Credited)/charged to profit and loss (Note 8)	(1,250)	165
Credited to other comprehensive income	(170)	(777)
Balance as at 31 March	2,552	3,972

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Interest receivable	Pension Plan Asset	Unrealised Foreign exchange gains	Total
	$'000	$'000	$'000	$'000	$'000
At 1 April 2012	4,289	73	1,261	157	5,780
(Credited) /charged to profit or loss	(229)	19	(32)	258	16
Credited to other comprehensive income	-	-	(603)	-	(603)
At 31 March 2013, restated	4,060	92	626	415	5,193
(Credited) /charged to profit or loss	1,282	(12)	(79)	(415)	776
Charged to other comprehensive income	-	-	44	-	44
At 31 March 2014	5,342	80	591	-	6,013

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18. Deferred Taxation (Continued)

Deferred tax assets	Tax Losses	Accrued Vacation	Post Employment Benefit Obligation	Interest Payable	Total
	$'000	$'000	$'000	$'000	$'000
At 1 April 2012, restated	-	200	721	275	1,196
Charged to profit or loss	-	(17)	(76)	(56)	(149)
Credited to other comprehensive income	-	-	174	-	174
At 31 March 2013, restated	-	183	819	219	1,221
Credited/(Charged) to profit or loss	2,185	(82)	(121)	44	2,026
Credited to other comprehensive income	-	-	214	-	(214)
At 31 March 2014	2,185	101	912	263	3,461

The amounts shown in the statement of financial position include the following:

	2014 $'000	Restated 2013
Deferred tax assets to be recovered after more than 12 months	5,933	4,686
Deferred tax liabilities to be settled after more than 12 months	3,097	819

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19. Borrowings

	2014	Restated 2013
	$'000	$'000
Long term loan	5,319	16,000
Short term loan	17,982	40,026
	23,301	56,026
Less current portion	(23,301)	(50,693)
	-	5,333

(a) Long term loan

	2014	2013
	$'000	$'000
Petrocaribe Development Fund (Note 14(g))	5,319	16,000
Current portion of long term loan	(5,319)	(10,667)
	-	5,333

This loan represents $32 million received from the Petrocaribe Development Fund. The original purpose of the loan was to finance the development costs associated with the refinery upgrade project. As the project has been put on hold, during the period ended March 2012 the loan was changed to a term loan bearing interest at 5% per annum and repayable quarterly until maturity on 30 September 2014. The loan is secured by promissory notes and cash on deposit.

(b) Short term loans

	2014	2013
	$'000	$'000
(i) Bank of Nova Scotia Jamaica Limited	11,823	4,809
(ii) Bladex	6,159	35,217
	17,982	40,026

(i) This loan bears interest at LIBOR and 4.95% and is repayable at the end of May 2014. The loan is secured by Letter of Undertaking executed by the Ministry of Finance and Planning giving its irrevocable and unconditional undertaking to repay any amounts outstanding if the company is unable to do so.

The company has also executed a Letter of Undertaking indicating that during the existence of credit arrangements with the bank, they will not assume or suffer to exist any mortgage or lien or in any manner create or allow any encumbrance on the company's assets that would place another lender in a superior position to the bank in relation to the assets of the company.

(ii) This loan bears interest at 5.15% and is repayable at the end of May 2014. Interest payable at the end of the year amounted to $22,000 (2013 - $218,000). The loan is secured by cash on deposit that has been held with the borrower.

Petrojam Limited

20. Commitments and Contingencies

(a) Commitments

At 31 March 2014 commitments in respect of capital projects in progress was US$8,367,000 (J$914,357,000), (2013: US$45,805,000 (J$4,507,692,000)).

(b) Contingencies

(i) 1 % Commission

During the year ended 31 March 2012, PDV Caribe, S.A. (PDV Caribe) sought to obtain clarification on the purpose and basis for an arrangement to pay a 1% commission to Petroleum Corporation of Jamaica (PCJ) on the purchase of all crude and imported finished products. This 1% commission pre-dates the PDV Caribe investment in the Company.

The Board of Directors of the Company has been asked by PDV Caribe to clarify this matter through review of documentation and consultation with the Ministry of Finance and Planning of the Government of Jamaica. Subsequent to the year end, the clarification was provided and the matter is being resolved between the parties. The amount of commissions paid to PCJ since the investment by PDV Caribe amounts to US$85,621,000. No provision has been made in these financial statements for any amounts, if any that may be determined to be payable to PDV Caribe.

Effective March 2015, the 1% commission has been replaced with a specific rate of Special Consumption Tax which is payable to the Consolidated Fund of the Government of Jamaica.

(ii) General Consumption Tax Assessment

In July 2007, the company received from the Taxpayer Audit & Assessment Department (TAAD), a Notice of Assessment in respect of its General Consumption Tax (GCT) liabilities for the period January 2004 to December 2005, which would result in demands for additional payments for taxation for the period covered totalling US$1,775,000 (J$194,032,000).

The assessment, against which the company lodged a formal objection, resulted from the TAAD's proposed disallowing of certain input tax credits claimed by the company. The company has provided in full for the claim however an appeal has been filed to dispute the claim.

(iii) Special Consumption Tax Assessment

In March 2014, the company received from the Taxpayer Audit & Assessment Department (TAAD), a letter in respect of its Special Consumption Tax (SCT) liabilities for the period June 2008 to March 2013, which claimed that the company was incorrectly calculating SCT on Propane and Butane sales.

The company has not yet received a formal Notice of Assessment but believe that they may be liable in the amount of US$1,136,000 (J$123,823,000) and as such, a provision has been made for this amount in the financial statements.

Petrojam Limited

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21. Restatement and Reclassifications

Restatement
Restatement of prior year balances relate to the adoption of a revised standard and amendments to an existing standard as follows:

(a) The restatement arose from the impact of the adoption of IAS 19 (Revised) and consequential adjustments to deferred tax. The amendment eliminates the corridor approach to recognition of actuarial gains and losses arising from IAS 19 pension valuations and results in the recognition of all actuarial gains and losses in other comprehensive income (OCI) as they occur. Additionally, all past service costs are immediately recognised and interest cost and expected return on plan assets are replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The effect of these revisions on the 2012 statement of comprehensive income was the immediate recognition in other comprehensive income of actuarial losses of $314,000 on pension benefits and actuarial gains $57,000 other post-employment benefits. The effect of these revisions on the 2013 statement of comprehensive income was the immediate recognition of actuarial losses of $2,321,000 on pension benefits and actuarial losses of $525,000 on other post-employment benefits and the recognition of a net interest expense decrease of $1,798,000 on pension benefits. As a result of the impact of the restatement in relation to IAS 19 (Revised) the effect of the change in the tax rate from 33 1/3% to 25% on the restated amounts are also included.

The impact on the statement of changes in equity of the adoption of IAS 19 (revised) is represented by the movements in the statement of comprehensive income as no other equity accounts were affected.

In accordance with the requirements of IAS 8 paragraph 28 (f), the company is required to show the effect on each financial statement line item of the adoption of IAS 19 (Revised) for the 2014 amounts presented. In the opinion of management this effect is not material and hence this disclosure has not been presented in these financial statements.

Reclassifications

(b) In the prior year short term loans of $40,026,000 (2012 - $42,280,000) were incorrectly classified as part of trade payables and this has now been corrected in the statement of financial position. There was no impact on the statement of comprehensive income and statement of changes in equity from this change.

(c) In the prior year long term loan receivables of $5,257,000 were incorrectly classified as part of due from related parties and this has now been corrected in the statement of financial position. As a result of this change, the remaining balance owing of $858,000 to this entity was moved from due from related parties to due to related parties. There was no impact on the statement of comprehensive income and statement of changes in equity from this change.

(d) In the prior year foreign exchange losses of $4,191,000 arising from operating activities were incorrectly classified as part of financing activities and this has now been corrected in the statement of comprehensive income. There was no impact on equity as a result of this change.

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21. Restatement (Continued)

The financial statements for the years ended 31 March 2013 and 2012 have been restated to reflect the financial position and results for these corrections. The financial effects of these corrections are as follows:

Effect on statement of financial position at 31 March 2012

	As at 31 March 2012 $'000	(a), (b) $'000	As at 31 March 2012 $'000 presented
Non-Current Assets			
Property, plant and equipment	89,407	-	89,407
Long term receivables	5,877	-	5,877
Pension plan asset	3,783	-	3,783
	99,067		99,067
Current Assets			
Inventories	192,723	-	192,723
Accounts receivable	178,968	-	178,968
Due from related parties	25,782	-	25,782
Taxation recoverable	3,294	-	3,294
Cash and cash equivalents	158,583	-	158,583
	559,350		559,350
Current Liabilities			
Accounts payable	186,193	(42,280)	143,913
Due to related parties	311,965	-	311,965
Borrowings	10,667	42,280	52,947
Taxation payable	6,848	-	6,848
	515,673	-	515,673
Net Current Assets	43,677	-	43,677
	142,744	-	142,744
Shareholders' Equity			
Share capital	15,282	-	15,282
Capital reserves	7,472	-	7,472
Retained earnings	97,178	61	97,239
	119,932	61	119,993
Non-Current Liabilities			
Post - employment benefit obligation	2,258	(92)	2,166
Deferred tax liabilities	4,553	31	4,584
Loans	16,001	-	16,001
	142,744	-	142,744

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21. Restatements and Reclassification (Continued)

Effect on statement of financial position at 31 March 2013

	As at 31 March 2013 $'000	(a), (b), (c) $'000	As at 31 March 2013 $'000 presented
Non-Current Assets			
Property, plant and equipment	97,740	-	97,740
Long term receivables	4,862	3,027	7,889
Pension plan asset	2,076	-	2,076
	104,678	3,027	107,705
Current Assets			
Inventories	182,885	-	182,885
Accounts receivable	179,057	-	179,057
Current portion of long term receivables	-	2,230	2,230
Due from related parties	23,261	(4,399)	18,862
Taxation recoverable	3,757	-	3,757
Cash and cash equivalents	152,809	-	152,809
	541,769	(2,169)	539,600
Current Liabilities			
Accounts payable	145,846	(40,026)	105,820
Due to related parties	339,311	(858)	340,169
Current portion of long term loan	10,667	40,026	50,693
Taxation payable	4,906	-	4,906
	500,730	(858)	501,588
Net Current Assets	41,039	-	38,012
	145,717	-	145,717
Shareholders' Equity			
Share capital	15,282	-	15,282
Capital reserves	7,472	-	7,472
Retained earnings	111,298	(370)	110,928
	134,052	(370)	133,682
Non-Current Liabilities			
Post - employment benefit obligation	2,205	525	2,730
Deferred tax liabilities	4,127	(155)	3,972
Loans	5,333	-	5,333
	145,717	-	145,717

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21. Restatements and Reclassification (Continued)

Effect on statement of comprehensive income at 31 March 2013

	As at 31 March 2013 $'000	(a),(d) $'000	As at 31 March 2013 $'000 presented
Revenue	1,872,753	-	1,872,753
Cost of sales	(1,831,374)	-	(1,831,374)
Gross Profit	41,379	-	41,379
Other operating income	13,441	4,191	17,632
Selling and distribution costs	(5,938)	-	(5,938)
General and administrative expenses	(20,110)	1,773	(18,337)
Other operating expenses	(7,650)	-	(7,650)
Operating Profit	21,122	5,964	27,086
Finance (costs)/ income	3,057	(4,191)	(1,134)
Loss/Profit before Taxation	24,179	1,773	25,952
Taxation	(6,746)	(592)	(7,338)
Net Loss/Profit	17,433	1,181	18,614
Other comprehensive income, net of taxes -			
Items that will not be reclassified to profit or loss -			
Re-measurements of post-employment benefits	-	(1,612)	(1,612)
TOTAL COMPREHENSIVE INCOME	17,433	(431)	17,002

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21. Restatements and Reclassification (Continued)

Impact on statement of cash flows for the year ended 31 March 2013

	2013 $'000	(a), (b) $'000	Restated 2013 $'000
Cash Flows from Operating Activities	17,433	1,181	18,614
Net profit			
Adjustments for items not affecting cash:			
Depreciation	3,191	-	3,191
Interest income	(7,208)	-	(7,208)
Pension plan assets	1,789	(1,892)	(103)
Post employment benefit obligation	302	(317)	(15)
Taxation charge	6,746	592	7,338
Interest expense	1,134	-	1,134
Exchange and translation losses/(gains) on foreign balances	4,526	-	4,526
Changes in operating assets and liabilities:	27,913	(436)	27,477
Inventories	9,838	-	9,838
Accounts receivable	(89)	-	(89)
Due from/(to) related parties	29,867	(625)	29,242
Accounts payable	(40,347)	2,254	(38,093)
Tax paid	27,182	1,193	28,375
Interest received	(9,577)	(1)	(9,578)
Cash provided by operating activities	7,208	-	7,208
	24,813	1,192	26,005
Cash Flows from Financing Activities			
Interest paid	(1,134)	-	(1,134)
Special financial distribution	(3,313)	-	(3,313)
Long term loan repaid	(10,668)	-	(10,668)
Cash used in financing activities	(15,115)	-	(15,115)
Cash Flows from Investing Activities			
Long term receivables	584	1,056	1,640
Purchase of property, plant and equipment	(11,524)	-	(11,524)
Cash used in investing activities	(10,940)	1,056	(9,884)
	(1,242)	2,248	1,006
Exchange and translation loss on cash and cash equivalents	(4,532)	6	(4,526)
Cash and cash equivalents at beginning of year	158,583	(42,280)	116,303
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	152,809	(40,026)	112,783