WIHL

Waterloo Investment Holdings Limited

Consolidated Financial Statements

March 31, 2015

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Report of Chief Executive Officer

I am pleased to present Waterloo Investment Holdings Limited's ("The Company" or "WIHL") third Annual Report.

The Company produced a net loss of $13.0 million in fiscal 2015 compared to a net loss of $21.6 million in fiscal 2014. Total assets at March 31, 2015 amounted to $508.7 million, with Shareholders' Equity at $232.7 million, compared to $519.0 million and $248.2 million last year, respectively.

During the past year we focused primarily on operations and doing so in an environmentally responsible manner. We continued developing our real estate assets held as collateral and stabilizing our hotel operations, and – where necessary – invested in our footprint in Latin America and in the Turks and Caicos Islands ("TCI"). During the next year, we will focus on recapitalizing and strengthening our balance sheet setting the stage for future growth.

Latin-American Associates

WIHL again experienced lower income from its Latin American Associates ("Associates") during fiscal 2015. Continued weakness in palm oil prices globally and adverse currency movements in Colombia combined to bring down our share of net income from $19.3 million last year to $17.0 million during fiscal 2015. Dividends of $8.0 million were slightly lower than in previous years.

Management of the Associates made big strides in addressing environmental concerns related to palm oil. The Associates achieved the coveted RSPO (Roundtable for Sustainable Palm Oil) Certification. As the RSPO website states, there is "an ever-urgent need and growing global concern that commodities are produced without causing harm to the environment or society". RSPO certification assures the customer that the standard of production is sustainable. RSPO-certified growers accounted for 18% of global palm oil production in 2014. Environmentally and socially responsible buyers are willing to pay a premium for responsibly produced products. Some buyers have even committed to giving up dealing in non-certified products and only sourcing through traceable supply chains.

We do not, however, expect palm oil prices to recover to previous highs in the foreseeable future. As a result, the Associates have decided to put further expansion plans on hold and only continue projects that have already started. In addition, capital projects improving production efficiencies such as the generation of energy for its own needs continue as originally planned aiming for a carbon neutral footprint.

Hospitality Division

The Division currently manages three hotels on TCI and a Super-Yacht Marina, currently marketed as "The Turks and Caicos Collection" under the leadership of our Marketing and Sales Director Ingo Reckhorn. Its motto is "Three Unique Resorts, Three Distinct Experiences, and One Extraordinary Service Philosophy". The properties, located in Providenciales, are in various stages of their development and positioning. Two of our hotels are on Grace Bay, consistently ranked the #1 beach in North American and the Caribbean by *Condé Nast Traveler*, TripAdvisor, the Huffington Post Travel Blog and many others.

We have invested heavily both in the efforts of the TCI Government, and it's Tourist Board, the Turks and Caicos Hotel and Tourism Association (TCHTA) and Turks and Caicos Real Estate Association (TCRE) in the strategic promotion of TCI, as well as our own Turks and Caicos Collection, in the US and UK.

As the *Blue Haven Resort and Marina* is still operating in receivership, its results are recorded in the Investment Division's losses. The Hospitality Division, comprising *Beach House* and the *Alexandra Resort's* management companies, both fully owned by WIHL - reported a loss of $0.2 million for fiscal 2015, its second year reporting as a separate Division.

We are especially sanguine about these operations amidst the economic recovery in North America and tourism growth throughout the entire Caribbean region. According to the Caribbean Tourism Organization, tourism in the region showed an increase of 5.3% in 2014 over the prior year for a total of 26.3 million visitors. TCI far outstripped that rate of growth as a tourist destination, seeing a record number of visitors in 2014 – a robust 31.6% increase over 2013. North American tourists still represent 91.6% of the more than 1.4 million visitors to the TCI. The past high season was a strong one both due to the economic recovery and extreme winter conditions in the Northeast of the Americas.

Stopover guests (as opposed to cruise passengers) increased by 49.9% in 2014, amounting to 435,475 versus 290,587 in 2013. These guests arrived primarily at the Providenciales International Airport (PLS). Stopover arrivals via private aircraft or by boat are excluded from these numbers.

Performance of the tourism sector is highly dependent on airlift. TCI's Airport Authority has completed the upgrade and renovation of the new airport. A second FBO for private aircraft also opened. With new airlift announced from Chicago and Houston, as well as a second British Airways flight per week, the TCI government is turning its attention to the next phase of growth.

Blue Haven Resort and Marina

We are proud that in its second year as an Island Global Yachting (IGY) destination, our Super-Yacht Marina under the leadership of General Manager Adam Foster received the coveted Five Gold Anchor Award from the globally renowned The Yacht Harbor Association (TYHA). The Gold Anchor Award is given as part of a voluntary assessment program focused on customer service and providing quality moorings for the boat owner. The ratings ranging from 1 to 5 indicate the credibility and quality of the marina when assessed against the technical criteria, specified in TYHA's Code of Practice for the design, construction and operation of marinas. The program operates in 23 countries. Ninety-nine marinas globally – and only four marinas in the Caribbean – have merited a five-star rating.

The TCI Department of Environmental and Maritime Affairs ("DEMA") again awarded *Blue Haven Marina* a Certificate of Appreciation. This annual Certificate recognizes the efforts the marina team has put into reducing the environmental impact of yachting tourism on the country's natural resources.

Blue Haven Resort - one of our two condo-hotels - improved its TripAdvisor TCI rating from 22 to 11 during its first year of operations under the new brand under the leadership of General Manager Gerry Dallas. Owners and Management are working together on making the Resort a profitable one for all Owners. All those who are not living in their apartment have moved their units into the rental pool. Four condo units were sold in fiscal 2015 as real estate values of the units recovered and investor confidence returned.

Beach House

At *Beach House*, we launched restaurant Kitchen 218 with world-class Chilean chef Cristian Rebolledo in order to offer a fine-dining experience in our portfolio. Beach House is a popular wedding destination, having hosted 16 wedding celebrations in 2015 and looking forward to multiple bookings for 2016. Under the leadership of General Manager Vianel Filpo, *Beach House* moved from #11 to #7 in the TripAdvisor TCI rankings in the past year, representing continued improvements in the suites, infrastructure and guest services as cash flows allowed.

Alexandra Resort

The *Alexandra Resort*, our second condo-hotel, is still presenting significant management challenges. We inherited a complicated mixed-use legal structure: a time-share building and three condo buildings. Common costs are shared among two Strata corporations, the time-share units and the management company, providing a recipe for friction when objectives aren't commonly shared. In addition, Owners often rent out their units on their own, essentially piggybacking on the marketing and customer service dollars spent by us on behalf of those Owners who have placed their units in the rental pool.

Our message to the condo-Owners was that without further investment on their part inside their condominiums as well as on highly overdue infrastructure investments, the property would not be able to compete effectively with comparable properties on Grace Bay. This was supported by complaints from travel agents and guests, stagnation in bookings and a #26 TripAdvisor rating. Owners fortunately approved the investment in a new wastewater treatment plant, as well as a soft upgrade of their rooms, which will take place during September 2015 under the leadership of recently hired General Manager Gloria Thomas who has approximately 30 years experience in hospitality. Ms. Thomas has implemented numerous improvements in the guest experience initiating a reversal of the negative trend in TripAdvisor ratings.

The restaurant on the property had been leased out to an operator who had not been willing to accept group events in popular months or provide consistent daily three-meal service offerings per day, to the resort guests. The operator has decided to move to a non-hotel location effective September 2015. This requires us to make a significant investment in Food and Beverage operations at this hotel during the upcoming year: start-up losses are expected. On the other hand, it provides us the opportunity to "own" the customer service experience and allow for more group bookings.

Our TCI footprint

We are again proud of creating jobs on TCI. The Division employs over 250 people, the vast majority of whom are TCI citizens or permanent residents. Obtaining work permits for those posts that we have been unable to fill locally, however, has been a significant challenge. Several job openings went unfulfilled for months or are still open. A labor and immigration bill is expected to pass later this year, which is designed to streamline the process of obtaining permits. It is worrying, though, that while both political parties have put "job creation for local people" on their agendas for the upcoming election in November 2016, neither address the system of recruiting and educating qualified human resources locally. It is in that vein that we are ourselves investing in the professional development of our own employees.

Investment Division

Our TCI footprint also includes many asset-backed loans to other developments on TCI, primarily land in West Caicos, North Caicos, Middle Caicos, Ambergris Cay and

Providenciales, often together with other syndicate lenders. The Division carried a loss of $2.4 million. Income of $3.7 million was offset by provisions of $6.1 million.

The receiver of *Emerald Point* in Leeward completed the subdivision into 15 beachfront lots and eight canal lots. We have received permits to address (1) the maintenance dredging of the Leeward Channel, (2) the beach nourishment of Emerald Point, (3) the extension of the canal at Emerald Point, (4) the repair of current groynes to limit the movement of sediment, (5) the creation of a terminal groyne at the entry of the Leeward Channel and (6) the beach nourishment of Blue Haven Resort. It is our intention to have these projects completed during the upcoming fiscal year. The receiver has agreements in place to sell four beachfront lots and eight canal lots. Seven beachfront lots are placed in a joint venture with two premier construction companies on Providenciales for vertical development.

The receiver of the private island *Ambergris Cay* has continued to negotiate with the TCI Government on the completion of a development agreement. A lack of buyers for the private island development and the cash drain of the receivership forced us to evaluate whether WIHL should take on the responsibility for developing the island. We decided that we should, and are currently in negotiations with the TCI Government for WIHL to re-start this development. The first stage of re-development will require an investment of at least $20 million.

Each time WIHL converts an asset-backed loan into ownership of the underlying asset, WIHL owes the TCI government stamp duty on land transfers – an upfront investment of 9.75% on the value of the asset on Provo and 6.5% elsewhere on TCI. These conversions are therefore not taken lightly. The Government of TCI also benefits significantly once a development has been completed, as it charges 12% on top of every hotel, service and restaurant bill, as well as 60% customs duty on imports, all of which occur annually. All investments in development, particularly in the Leeward area of Providenciales, have added significantly to local job creation.

Financial Services Division

British Caribbean Bank (the "Bank" or "BCB") is the original source of non-performing loans out of which the Hospitality and Investment Divisions were created. Asset-backed loans to TCI and Belize developments, which required a longer-term view, were taken out of the Bank into these Divisions through dividends. We foresee this trend continuing, as TCI's Financial Services Commission (FSC) requires us to take a more proactive view on non-performing loans.

BCB completed its investment and implementation of a new banking software system during 2015 and is fully compliant with the latest anti-money laundering laws on TCI as well as with US (Foreign Account Tax Compliance Act) and UK (Automatic Exchange of Information Agreement) tax laws. TCI and its financial services industry continue to be attacked unfairly by the UK and EU governments as an "offshore" jurisdiction or tax haven. Such rhetoric has put significant pressure on correspondent banking relationships throughout the Caribbean. In the meantime the US and the UK have become the largest havens for foreign deposits through their domestic banks, which are at the same time 'de-risking' their exposure to foreign financial institutions.

The Bank's deposits decreased from $82.3 million to $70.5 million during fiscal 2015, excluding WIHL's deposits. The Bank kept its deposit rates competitive and continues to watch for future actions on interest rates by the US Federal Reserve. BCB suffers from a mismatch in UK deposits and assets in US dollars, exposing it to fluctuations between the two currencies. During fiscal 2015, the impact on the bottom line was $1.0 million:

the current strength of the British Pound is reversing the impact in fiscal 2016. As of March 31, 2015, our liquidity percentage was 16.1% and our capital ratio was 52.3%, both comfortably above the minimum percentage required by the FSC. BCB's net loan portfolio decreased from $83.6 million to $73.8 million. The Division reported a loss of $4.4 million due to additional provisioning on its non-performing loan portfolio and realized losses on divestments.

An international tribunal, convened under the authority of the UK-Belize Bilateral Investment Treaty and administered by the Permanent Court of Arbitration in The Hague, issued an award in December 2014 in the investment treaty claim brought by the Bank against the Belize Government as a result of the 2009 nationalization of Belize Telemedia Limited, the main telecommunications company in Belize. The Tribunal, in a unanimous decision, held that the Belize Government unlawfully expropriated various loan interests held by the Bank. The Tribunal also held that Belize breached its international obligations to treat the Bank's investment in a fair and equitable manner. The total compensation awarded, including interest and costs, is approximately $48 million. The Bank has also pursued a separate constitutional claim through the Caribbean Court of Justice and expects a decision in October 2015.

While the enforcement of this claim could take additional time, the Belize Government has begun to acknowledge publicly that money is owed. This brings the Bank's exposure to Belize into more positive territory and allows WIHL to feel more comfortable continuing its work exploring the development of a bulk-handling facility and logistics terminal next to the Port of Belize and other alternatives for the Port infrastructure.

Balance Sheet Restructuring

WIHL repaid the Series 2 Loan Notes in a combination of cash, $1.5 million, and a renegotiation of debt, $4.1 million, at 3% annual interest. WIHL is currently in discussion regarding the repayment of the Series 3 and 4 Loan Notes with Daza Corporation ("Daza") as nominee for Lord Ashcroft, who also has an interest of 70.5% of the issued share capital of the Company. Given the Company's lack of liquidity, it is likely that the debt in its entirety will be converted into equity. The interest burden of $18.1 million during fiscal 2015 was a heavy one and limited the Company in its ability to attract capital from third parties. Meanwhile Daza has granted relief of repayment at an interest cost of 3% per annum while the board is reviewing financing alternatives.

Investments in the Team

WIHL saw three additions to its Board: Stewart Howard, Managing Director of British Caribbean Bank, joined the WIHL board in November 2014; at that time Margaret Osius, an expert in international project finance, also joined both the Boards of BCB and WIHL. Dean Boyce, receiver of Ambergris Cay, was added in February 2015.

In its operations, the Company has continued to invest in expertise and experience.

I thank the shareholders again for their patience and encourage all to visit us on TCI at one of our three luxury and unique resorts, our Super Yacht Marina or at the British Caribbean Bank.

Caroline van Scheltinga
Chairman and CEO

Report of Independent auditors

To the Board of Directors and Shareholders of Waterloo Investment Holdings Limited

We have audited the accompanying consolidated balance sheets of Waterloo Investment Holdings Limited and its subsidiaries as of March 31, 2015 and March 31, 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits of these consolidated financial statements in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Waterloo Investment Holdings Limited and its subsidiaries as of March 31, 2015 and March 31, 2014, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Horwath Belize LLP

Horwath Belize LLP
Belize City, Belize
Central America
August 4, 2015

Consolidated statements of comprehensive income

Year ended March 31	Notes	2015 $m	2014 $m
Financial Services			
Interest income		**4.1**	6.4
Interest expense	4	**(1.6)**	(2.2)
Net interest income		**2.5**	4.2
Provision for loan losses	12	**(6.3)**	(6.9)
Non-interest income	5	**1.0**	0.3
Non-interest expense	6	**(1.6)**	(2.4)
Operating loss - Financial Services		**(4.4)**	(4.8)
Operating loss - Hospitality	7	**(0.2)**	(1.3)
Operating loss - Investments	8	**(2.4)**	(12.7)
Total operating loss		**(7.0)**	(18.8)
Associates	19	**17.0**	19.8
Corporate expenses		**(4.9)**	(6.0)
Corporate interest		**(18.1)**	(16.6)
Net loss		**(13.0)**	(21.6)
Other comprehensive loss:			
Translation adjustment reported by Associates	19	**(2.5)**	–
Comprehensive loss		**(15.5)**	(21.6)
Net loss per ordinary share (basic and diluted)	9	**$(0.13)**	$(0.22)

Consolidated statements of changes in shareholders' equity

	Share capital $m	Treasury shares $m	Accumulated other comprehensive loss $m	Retained earnings $m	Total $m
At April 1, 2013	100.0	(0.1)	–	169.9	269.8
Comprehensive loss	–	–	–	(21.6)	(21.6)
At March 31, 2014	100.0	(0.1)	–	148.3	248.2
Comprehensive loss	–	–	(2.5)	(13.0)	(15.5)
At March 31, 2015	100.0	(0.1)	(2.5)	135.3	232.7

At March 31, 2015, retained earnings included non-distributable statutory reserves in British Caribbean Bank Limited of $13.0 million (2014 - $13.0 million).

See accompanying notes which are an integral part of these consolidated financial statements.

Consolidated balance sheets

At March 31	Notes	2015 $m	2014 $m
Assets			
Financial Services			
Cash, cash equivalents and due from banks		**0.3**	0.1
Interest-bearing deposits with correspondent banks	10	**11.6**	16.0
Receivable from Government of Belize	11	**34.1**	34.1
Loans - net	12	**73.8**	83.6
Property, plant and equipment - net	13	**0.3**	0.2
Other assets	14	**0.2**	0.6
Total Financial Services assets		**120.3**	134.6
Investment assets			
Cash, cash equivalents and due from banks	27	**1.5**	1.8
Loans - net	15	**164.4**	174.2
Other assets	16	**15.1**	7.9
Total Investment assets		**181.0**	183.9
Hospitality assets			
Cash, cash equivalents and due from banks		**3.3**	1.4
Property, plant and equipment - net	17	**10.6**	10.3
Other assets		**5.2**	6.7
Total Hospitality assets		**19.1**	18.4
Corporate assets			
Other current assets		**-**	0.2
Property, plant and equipment - net	18	**2.5**	2.6
Associates	19	**185.8**	179.3
Total Corporate assets		**188.3**	182.1
Total assets		**508.7**	519.0
Liabilities and shareholders' equity			
Financial Services			
Deposits	20, 27	**70.5**	82.3
Interest payable		**0.3**	0.4
Current liabilities		**0.3**	0.4
Total Financial Services liabilities		**71.1**	83.1
Hospitality Liabilities			
Current liabilities		**4.2**	4.6
Corporate liabilities			
Current liabilities	21	**6.0**	10.2
Long-term liabilities	22	**194.7**	172.9
Total Corporate liabilities		**200.7**	183.1
Total liabilities		**276.0**	270.8
Shareholders' equity			
Share capital	24	**100.0**	100.0
Treasury shares	24	**(0.1)**	(0.1)
Accumulated other comprehensive loss		**(2.5)**	–
Retained earnings		**135.3**	148.3
Total shareholders' equity		**232.7**	248.2
Total liabilities and shareholders' equity		**508.7**	519.0

See accompanying notes which are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

Year ended March 31	2015 $m	2014 $m
Cash flows from operating activities		
Net loss	(13.0)	(21.6)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	0 .8	0.5
Provision for loan losses	12.4	19.7
Undistributed earnings of associates	(9.0)	(8.9)
Changes in assets and liabilities:		
Decrease in interest payable	(0.1)	(0.2)
Increase in other assets	(5.3)	(5.9)
Decrease (increase) in other current assets	0.2	(0.2)
(Decrease) increase in other liabilities	(4.7)	10.5
Net cash utilized by operating activities	(18.7)	(6.1)
Cash flows from investing activities		
Purchase of property, plant and equipment (net)	(1.1)	(3.9)
Decrease in interest-bearing deposits with correspondent banks	4.4	0.7
Increase in Government of Belize receivable	-	(2.1)
Decrease in loans to customers	7.2	5.3
Net cash provided by investing activities	10.5	-
Cash flows from financing activities		
Increase in long-term debt	21.8	11.3
Decrease in deposits	(11.8)	(2.1)
Net cash provided by financing activities	10.0	9.2
Net change in cash, cash equivalents and due from banks	1.8	3.1
Cash, cash equivalents and due from banks at beginning of year	3.3	0.2
Cash, cash equivalents and due from banks at end of year	5.1	3.3
Cash - Financial Services	0.3	0.1
Cash - Investment	1.5	1.8
Cash - Hospitality	3.3	1.4
	5.1	3.3

See accompanying notes which are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

Note 1 - Description of business

Introduction

Waterloo Investment Holdings Limited ("WIHL" or "the Company") was incorporated in the British Virgin Islands on January 24, 2011. WIHL is a holding company with no independent business operations or assets other than its investment in its subsidiaries, associates, intercompany balances and holdings of cash and cash equivalents. WIHL's businesses are conducted through its subsidiaries.

The businesses of WIHL include (i) the British Caribbean Bank Limited ("BCB" or "the Bank") which focuses on the provision of financial services and lending in the Turks and Caicos Islands ("TCI") and whose assets are principally comprised of loans that have a high concentration in asset backed lending to the tourism and property development sectors (ii) a Hospitality Division which owns and/or operates resorts and related activities in TCI (iii) certain other loans and assets principally related to tourism, property and infrastructure businesses and (iv) an interest in certain associated companies more fully described below and in note 19.

Associates

The Group's equity investment in associates is comprised of:

(i) Investments in approximately 25% of Corporacion Iberoamericana Alimentaria, S.A., Tower Strategic, Ltd., Mesocafta International, S.A. and BVI International Holdings, Inc. (the "Latin American Associates"). The Latin American Associates own edible oil processing and distribution operations and palm seed plantations in Latin America and operate as producers and distributors of edible oils, margarine, industrial oils and animal feed.

(ii) Investment in approximately 50% of Belize International Services Limited which until June 2013 provided shipping and company registry services to international clients ("International Services Associate"). In June 2013, the Government of Belize ("GOB") took control of the entire operations of BISL. Since June 2013, the Company has received no income from BISL.

Subsequent events

The Group has evaluated subsequent events for recognition and disclosure through August 4, 2015, which is the date the financial statements were available to be issued.

Note 2 - Summary of significant accounting policies

Basis of consolidated financial statements

The consolidated financial statements have been prepared in United States dollars ("US Dollars") in accordance with accounting principles generally accepted in the US ("GAAP") and as described below. The preparation of consolidated financial statements in accordance with GAAP requires management to make extensive use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These management estimates include, among others, an allowance for doubtful receivables, asset impairments, useful lives for depreciation and amortization, loss contingencies, and allowance for loan losses. Actual results could differ materially from those estimates.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of WIHL and its subsidiaries ("the Group"). WIHL consolidates companies in which it owns or controls more than fifty percent of the voting shares. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition up to the date of disposal. All significant intercompany balances and transactions have been eliminated in consolidation.

Loans and interest income recognition

Loans are stated at the principal amount outstanding, net of unearned income and allowance for loan losses. Interest income is recorded on an accrual basis. When either the collectability of principal or interest is considered doubtful, or payment of principal or interest is ninety days or more past due, loans are placed on non-accrual status and previously accrued but unpaid interest is charged against current year interest income, unless the amounts are in the process of collection. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for loan losses

The Group's consideration as to the adequacy of the allowance to provide for probable loan losses is based on a continuing review of the loan portfolio and includes, but is not limited to, consideration of the actual loan loss experience, the present and prospective condition of each borrower and its related industry, general economic conditions prevailing from time to time, and the estimated fair value of the related collateral. Loans are charged off against allowance for loan losses when the amounts are deemed to be uncollectible.

The Group measures its estimates of impaired loans in accordance with Statements of Financial Accounting Standards No. 114 – Accounting by Creditors for Impairment of a Loan, as amended by Statements of Financial Accounting Standards No.118 – Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures. Under the Group's accounting policy for loan loss provisioning, the Group evaluates the probability of an impairment loss when a loan is classified as non-accrual. An impairment loss is recognized and fully provided for if the recorded amount of the non-accrual loan exceeds the estimated fair value of the underlying collateral less costs to sell. The majority of the Group's loan portfolio is fully collateralized. Interest income on impaired loans is recognized only when payments are received and the Company considers that the loan will remain performing.

Unallocated allowance for loan losses

The Group has established and maintains an unallocated allowance for loan losses at the Bank, equivalent to one percent of total Bank loans not adversely classified. This unallocated component of the allowance for losses is considered necessary to provide for certain economic trends and conditions and other qualitative factors that affect the inherent risk of loss in the entire loan portfolio that are not fully captured in the allocated allowance for loan losses.

Investment loans

The Company classifies investment loans as available-for-sale at the time of purchase and reassesses this classification as of each balance sheet date. The investment loans are considered Level 3 in the fair value hierarchy due to the use of unobservable inputs to measure fair value. In the absence of an active market for the investment loans, fair value is measured using third-party appraisals of underlying collaterals and Level 3 pricing models based on information and assumptions that management believes are consistent with what market participants would use in a hypothetical transaction at the measurement date.

Investment loans are reviewed annually to determine whether impairment has occurred that is other than temporary. The Company considers various factors including the severity and likely duration of the impairment, the intent to hold an investment loan or the need to sell it before its anticipated recovery. If there is prevailing evidence that a reduction in fair value is other than temporary, the impairment is recognized in earnings.

Leases

All leases are operating leases, and the annual rentals are charged against income.

Currency translation

The reporting and functional currency of the Group is US dollars. The results of subsidiaries and associates, which account in a functional currency other than US dollars, are translated into US dollars at the average rate of exchange for the year. The assets and liabilities of subsidiaries and associates which account in a functional currency other than US dollars are translated into US dollars at the rate of exchange ruling at the balance sheet date. Unrealized translation gains or losses reported by the Company's associates are recognized as cumulative translation adjustments through other comprehensive income (loss) within the shareholders' equity.

Gains and losses arising from currency transactions are included in the consolidated statements of income.

Associates

For investments in which the Group owns or controls more than twenty percent of the voting shares, and over which it exerts significant influence over operating and financial policies, the equity method of accounting is used in the consolidated financial statements. The investment in associates is shown in the consolidated balance sheets as the Group's proportion of the underlying net assets of these companies plus any goodwill attributable to the acquisitions less any write-off required for a permanent diminution in value. The consolidated statements of income include the Group's share of net income of associates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid instruments, with an original maturity of three months or less. As a result of the short-term maturity of these financial instruments, their carrying value is approximately equal to their fair market value.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided to write off the cost of the assets over their estimated useful lives, using the straight-line method, over the following periods:

Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of lease
Motor vehicles	4 years
Fixtures, fittings and office equipment	3 to 10 years

The carrying value of property, plant and equipment is evaluated periodically in relation to the operating performance and future cash flows of the underlying businesses. Where, in the opinion of the Group, an impairment in the value of property, plant and equipment has occurred, the amount of the impairment is recorded in the consolidated statements of income.

Repairs and maintenance costs are expensed as incurred. Gains and losses arising on the disposal of property, plant and equipment are included in the consolidated statements of income.

Financial risk management

Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of cash, cash equivalents and due from banks and extensions of credit to customers. The Group places its cash, cash equivalents, and due from banks only with financial institutions with acceptable credit ratings.

The Group's portfolio credit risk is evaluated on a regular basis to ensure that concentrations of credit exposure do not result in unacceptable levels of risk. Credit limits, ongoing credit evaluations, and account-monitoring procedures are utilized to minimize the risk of loss.

New accounting standards

The Group adopts newly issued accounting standards and updates in the year stipulated for adoption to the extent they are relevant to the Group's operations. The Group may adopt a standard or update early, if early adoption is permitted. The effect of adoption, if material, is disclosed in the consolidated financial statements.

In fiscal 2015, consideration was given to the implications, if any, of the following new or revised standards:

ASU 2014-03, *Derivatives and Hedging (Topic 815): Accounting for certain Receive-Variable, Pay-Fixed Interest Rate Swaps-Simplified Hedge Accounting Approach* (a consensus of the Private Company Council) issued January 2014 and effective for retrospective application, if elected, in annual periods beginning after December 15, 2014 and interim periods within annual periods beginning after December 15, 2015. The amendments in this Update allow the use of the simplified hedge accounting approach to account for swaps that are entered into for the purpose of economically converting a variable-rate borrowing into a fixed-rate borrowing.

ASU 2014-04, *Receivables-Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure* (a consensus of the FASB Emerging Issues Task Force) issued January 2014 and effective for public business entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. The amendments in this Update clarify that an in-substance foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the property upon completion of a foreclosure or (2) the borrower conveying all interest in the property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement.

ASU 2014-05, *Service Concession Arrangements (Topic 853)* (a consensus of the FASB Emerging Issues Task Force) issued January 2014 and effective for public business entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2014, with early adoption permitted. The amendments specify that an operating entity should not account for a service concession agreement that is within the scope of this Update as a lease in accordance with Topic 840, Leases.

ASU 2014-06, *Technical Corrections and Improvements Related to Glossary Terms* issued March 2014 and effective upon issuance. The amendments in this Update relate to the deletion, addition and removal of duplications of Master Glossary Terms covering a wide range of Topics in the Codification.

ASU 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* (a consensus of the Private Company Council) issued March 2014 and effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. The amendments permit a private company lessee (the reporting entity) to elect an alternative not to apply VIE guidance to a lessor entity if (a) the lessee and lessor are under common control (b) they are substantially engaged only in leasing activities with each other, and (c) the private company lessee explicitly guarantees or provides collateral for any obligation of the lessor related to the asset leased.

ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* issued April 2014 and effective for annual financial statements with years beginning on or after December 15, 2014. The amendments in this Update require the disposal of a component or a group of components of an entity to be reported in discontinued operations when a disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results, if the component or group of components of the entity meets criteria for classification as held for sale; or is disposed of by sale; or is disposed of other than by sale (for example, by abandonment or in a distribution to owners in a spinoff).

ASU 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* issued June 2014 and effective for public business entities for the first period (interim or annual) beginning after December 15, 2014, with early adoption prohibited. The amendments to this Update require the following two accounting changes: (1) accounting for repurchase-to-maturity transactions is changed to secured-borrowing accounting, and (2) for repurchase finance arrangements, separate accounting is required for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty, which will result in secured borrowing accounting for the repurchase agreement.

The following Updates were also issued by the FASB during fiscal 2015 for adoption in annual periods ending after December 2015, and will be considered for adoption at that time to the extent they are relevant to the operations of the Group:

ASU 2014-14, *Receivables-Troubled Debt Restructurings by Creditors (Subtopic 310-40): Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure* (a consensus of the FASB Emerging Issues Task Force) issued August 2014 and effective for public business entities for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2014.

ASU 2014-15, *Presentation of Financial statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* issued August 2014 and effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016, with early application permitted.

ASU 2014-18, *Business Combinations (Topic805): Accounting for Identifiable Intangible Assets in a Business Combination* (a consensus of the Private Company Council), issued December 2014 and effective for the first transaction within the scope of the accounting alternative that occurs in fiscal years beginning after December 15, 2015 and for interim and annual periods thereafter. If the first transaction occurs in a fiscal year beginning after December 15, 2016, this Update is effective for the interim period that includes the date of the transaction and interim and annual periods thereafter. Existing customer-related intangible assets and non-competition agreements shall continue to be measured in accordance with Topic 350 and should not be subsumed into goodwill upon adoption of this guidance.

ASU 2015-01, *Income Statement-Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* issued January 2015 and effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively or retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided the guidance is applied from the beginning of the fiscal year of adoption.

ASU 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis* issued February 2015 and effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015 with early adoption permitted. A reporting entity may apply the amendments in this Update using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption. A reporting entity may also apply the amendments retrospectively.

ASU 2014-02, *Intangibles-Goodwill and Other (Topic 350): Accounting for Goodwill* (a consensus of the Private Company Council) issued January 2014. The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2015, with early application permitted.

ASU 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* issued June 2014 and effective in annual periods beginning after December 15, 2015, with early adoption permitted.

ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* issued May 2014 and effective for public entities for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted.

ASU 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity* (a consensus of the FASB Emerging Issues Task Force) issued November 2014 and effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.

ASU 2014-12, *Compensation-Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* (a consensus of the FASB Emerging Issues Task Force) issued June 2014 and effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. An entity may apply the standards (1) prospectively to all share-based payment awards that are granted or modified on or after the effective date, or (2) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new and modified awards thereafter, with early application permitted.

ASU 2014-13, *Consolidation (Topic 810): Measuring the Financial Assets and Financial Liabilities of a Consolidated Collateralized Financing Entity* (a consensus of the FASB Emerging Issues Task Force) issued August 2014 and effective for public business entities for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2015, with early adoption permitted.

The Group has adopted, on a prospective basis, all of the FASB pronouncements it considers relevant to its operations. Adoption has not materially impacted the Group's financial condition or results of operations.

Note 3 - Segmental analysis

The Group is currently engaged in the provision of financial services, principally in the Turks and Caicos Islands, investment in loans and assets principally in tourism and infrastructure business, the provision of hospitality services and in certain associated companies (note 19).

Year ended March 31	2015 $m	2014 $m
Depreciation		
Financial Services	0.1	–
Hospitality	0.6	0.4
Corporate	0.1	0.1
	0.8	0.5

Year ended March 31	2015 $m	2014 $m
Capital expenditures (net)		
Financial Services	0.2	–
Hospitality	0.9	3.7
Corporate	-	0.2
	1.1	3.9

At March 31	2015 $m	2014 $m
Total assets		
Financial Services	120.3	134.6
Investment	181.0	183.9
Hospitality	19.1	18.4
Associates	185.8	179.3
Corporate	2.5	2.8
	508.7	519.0

Note 4 - Interest expense - Financial Services

Interest expense comprised interest on customer deposits and amounts to $1.6 million (2014 - $2.2 million).

Note 5 - Non-interest income - Financial Services

Year ended March 31	2015 $m	2014 $m
Foreign exchange income and commissions	1.0	0.1
Customer service and letter of credit fees	-	0.2
	1.0	0.3

Note 6 - Non-interest expense - Financial Services

Year ended March 31	2015 $m	2014 $m
Salaries and benefits	0.5	0.5
Premises and equipment	0.3	0.3
Other expenses	0.8	1.6
	1.6	2.4

Note 7 – Operating loss – Hospitality

Year ended March 31	2015 $m	2014 $m
Loss from Hospitality Division	(0.2)	(1.3)

The loss in the Hospitality Division includes activities of owned properties and income from managing third party properties.

Note 8 – Operating loss - Investment

Year ended March 31	2015 $m	2014 $m
Interest income	1.8	1.8
Other income (loss)	1.4	(1.7)
Provisions against investments	(6.1)	(12.8)
Gain on sale of assets	0.5	–
	(2.4)	(12.7)

Note 9 - Net loss per ordinary share

Basic and diluted net loss per ordinary share have been calculated on the net loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue in each year.

Year ended March 31	2015 $m	2014 $m
Net loss	(13.0)	(21.6)
Weighted average number of shares (basic and diluted)	99,902,095	99,902,095

Note 10 - Interest bearing deposits with correspondent banks - Financial Services

The Bank must maintain an average aggregate of approved liquid assets equal to 12% of the average deposit liabilities of BCB. At March 31, 2015, the actual amount was 16.1% (2014 – 17.9%).

Note 11 – Receivable from Government of Belize

Pursuant to legislation passed in August and December 2009, the GOB purported to compulsorily acquire BCB's rights under the following loan agreements:

(i) a Term Loan Facility dated July 6, 2007 granted by BCB to Belize Telemedia Limited, a company incorporated in Belize ("Telemedia");

(ii) a Mortgage Debenture between BCB and Telemedia dated December 31, 2007;

(iii) a Syndicated Loan Agreement dated September 19, 2005 executed between BCB, BBL, Caedman Limited and Sunshine Holdings Limited (Sunshine);

(iv) a Security Agreement dated September 19, 2005 executed between BCB and Sunshine; and

(v) a Facility Agreement dated May 19, 2006 executed between BCB, Sunshine and the Trustees of the Belize Telecommunications Ltd. Employees Trust.

The Bank has challenged the legislation as being unconstitutional and on June 24, 2011 the Belize Court of Appeal declared the legislation void. The Court of Appeal failed to grant consequential relief, including damages. The Bank has appealed that failure to grant consequential relief to the Caribbean Court of Justice. On July 4, 2011 the

GOB passed new legislation pursuant to which it re-acquired the same rights acquired under the 2009 legislation. It also introduced amendments to the Constitution of Belize via the Belize Constitution ("Eighth Amendment") Act in an attempt to prevent the Belize Courts inquiring into the constitutionality of the 2011 acquisition. The Bank has challenged the 2011 legislation and the Eighth Amendment.

On June 11, 2012 the Supreme Court gave judgment in which it held that the 2011 legislation was also unconstitutional and void. However, the court declined to grant the consequential relief sought by the Bank, including its claim for damages. The Bank appealed the matter to the Court of Appeal. On May 15, 2014 the Court of Appeal handed down its judgment. The Court held, on a majority basis only, that the 2011 legislation was lawful, but that it did not have retrospective effect so that the Government's compulsory acquisition of the Bank's rights between August 25, 2009 and July 4, 2011 was unlawful. In his dissenting judgment, Mendes JA, held that the 2011 legislation was unlawful. On June 6, 2014 the Bank filed an application for special leave to appeal against the decision of the Court of Appeal. Leave was granted on August 23, 2014. The case was argued before the Caribbean Court of Justice in December 2014 and a consequential relief hearing took place on January 23, 2015. The decision of the Caribbean Court of Justice is expected in 2015.

The Bank has also pursued arbitration against the GOB for breach of its rights under the 1982 agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the GOB for the promotion of protection of investments (the "UK-Belize BIT"). The Bank claimed compensation in the arbitration for the expropriation by the Government of all its rights under the loan and loan security agreements. This included claims for payment of the sums due under the loans, including interest, or alternatively for the return of the sums advanced to Telemedia or Sunshine in restitution plus interest.

This action was stayed following an injunction granted by the Supreme Court of Belize restraining the Bank from pursuing this arbitration. However, on June 25, 2013, the Caribbean Court of Justice held that the UK-Belize BIT is binding on the GOB and consequently that the Bank has the right to commence arbitration proceedings against the Government. The Caribbean Court of Justice also held that notwithstanding the Bank's claim in the constitutional proceedings before the Belize courts, the arbitration commenced under the UK-Belize BIT was not oppressive, vexatious or an abuse of process. The Caribbean Court of Justice discharged the interlocutory injunction and permitted the Bank to continue with its arbitration proceedings against the Government.

The arbitration hearing took place in March 2014 and on December 19, 2014 the Tribunal issued an Award in the Bank's favor. The amount awarded by the Tribunal was $47.7 million with interest accruing at three month LIBOR plus 2% compounded annually. The total amount as at March 31, 2015 is approximately $47.9 million.

The GOB and Telemedia have also brought a claim challenging the agreements between the Bank and Telemedia described at (i) and (ii) above. It is alleged that the Term Loan Facility is unlawful, and the Government argues that it is therefore not liable to pay any compensation to the Bank in respect of its compulsory acquisition of the Bank's rights under the Facility. The Bank strongly disputes these allegations. Even if it were to be determined that the Term Loan Facility was invalid, the Bank's position is that it would still be entitled to return of the funds advanced under the Term Loan Facility plus interest. This claim is still pending in the Supreme Court of Belize, but is presently stayed pending the outcome of the Constitutional proceedings described above.

Having reviewed the litigation described above and the legal claims available to the Bank, management believes, based on legal advice, it is more probable than not that it will recover the sums due and owing under these loans, plus interest, from either the GOB or Telemedia.

Note 12 - Loans - net - Financial Services

At March 31	2015 $m	2014 $m
Loans (net of unearned income):		
Residential mortgage	6.8	6.9
Other consumer	0.1	0.7
Commercial - real estate	53.7	57.2
Commercial - other	49.1	50.1
	109.7	114.9
Allowance for loan losses:		
Residential mortgage	(1.6)	(1.2)
Other consumer	-	(0.3)
Commercial - real estate	(18.4)	(15.5)
Commercial - other	(15.9)	(14.3)
	(35.9)	(31.3)
Loans (net of unearned income and allowance for loan losses):		
Residential mortgage	5.2	5.7
Other consumer	0.1	0.4
Commercial - real estate	35.3	41.7
Commercial - other	33.2	35.8
	73.8	83.6

The maturity ranges of loans outstanding at March 31, 2015 are shown in the table below. All loans, other than consumer loans, are legally repayable on demand; however, they are disclosed below as if they run to their full maturity.

	Non-Performing $m	Due in one year or less $m	Due after one year through five years $m	Due after five years $m	Total $m
Residential mortgage	3.7	-	0.1	3.0	6.8
Other consumer	-	-	0.1	-	0.1
Commercial - real estate	51.3	-	-	2.4	53.7
Commercial - other	20.4	28.5	-	0.2	49.1
	75.4	**28.5**	**0.2**	**5.6**	**109.7**

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on a monthly basis. The Bank uses the following definitions for risk ratings:

Special Mention: Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard: Loans classified as substandard are those loans that are over three and up to six months in arrears or overdraft accounts where interest charges have not been covered by deposits for three to less than six months.

Doubtful: Loans classified as doubtful are those loans that are over six and up to twelve months in arrears or overdraft accounts where interest charges have not been covered by deposits for six to less than twelve months.

Loss: Loans classified as loss are those loans that are over twelve months in arrears or overdraft accounts where interest charges have not been covered by deposits for twelve months or more.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass loans.

As of March 31, 2015, and based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

	Pass $m	Special mention $m	Sub-standard $m	**Doubtful $m**	**Loss $m**	**Total $m**
Residential mortgage	3.1	1.0	0.7	2.0	-	6.8
Other consumer	0.1	-	-	-	-	0.1
Commercial - real estate	2.4	22.1	2.6	22.1	4.5	53.7
Commercial - other	28.7	-	-	20.4	-	49.1
	34.3	**23.1**	**3.3**	**44.5**	**4.5**	**109.7**

Individually impaired loans were as follows:

At March 31	**2015 $m**	2014 $m
Non-accrual loans	**75.4**	80.5
Other performing loans classified as impaired	**–**	–
	75.4	80.5

The Group considers all non-accrual loans as individually classified impaired loans.

The following table presents the recorded investment in non-accrual loans by class of loans:

At March 31	**2015 $m**	2014 $m
Residential mortgage	**3.7**	4.5
Other consumer	**-**	0.4
Commercial - real estate	**51.3**	54.7
Commercial - other	**20.4**	20.9
	75.4	80.5

The interest income which would have been recorded during the year ended March 31, 2015 had all non-accrual loans been current in accordance with their terms was approximately $8.4 million (2014 - $11.9 million).

At March 31, 2015, the amount of impaired loans outstanding in the Financial Services division in which the Group considers there was a probability of a loss totaled $52.4 million (2014 - $55.5 million), with related allowances, after taking into consideration related collateral, of $22.1 million (2014 - $25.5 million). There were no impaired loans without specific allowances. The average amount of loans outstanding in the Financial Services division, in which the Group considers there was a probability of a loss during the year ended March 31, 2015, was $55.9 million (2014 – $72.4 million). Interest is not recognized on any loan classified as non-accrual.

As a result of the nature of these financial instruments, the estimated fair market value of the Financial Services division's loan portfolio is considered by the Group to approximate its carrying value. Loan loss provisioning is based on management's estimate of the recoverability of non-performing loans after allowing for the estimated net realizable value of collateral held. In addition, an unallocated allowance of 1% of all performing loans is provided by BCB. This allowance does not represent future losses or serve as a substitute for specific allowances.

At March 31, 2015, the Group had total loans outstanding to certain officers and employees of $0.2 million (2014 - $0.1 million) at preferential rates of interest varying between 5.5% and 6.5% per annum, repayable over varying periods not exceeding 16 years.

Changes in the allowance for loan losses were as follows:

Year ended March 31	2015 $m	2014 $m
At beginning of year	31.3	31.1
Provision charged to income	6.3	6.9
Charge-offs	(1.7)	(6.7)
At end of year	35.9	31.3

Recoveries from loan losses have been immaterial to date. At March 31, 2015, the allowance for loan losses included an unallocated allowance of $0.3 million (2014 - $0.3 million).

Note 13 – Property, plant and equipment – net - Financial Services

At March 31	2015 $m	2014 $m
Cost:		
Land and buildings	0.3	0.3
Fixtures, fittings and other equipment	0.4	0.3
Total cost	0.7	0.6
Less: total accumulated depreciation	(0.4)	(0.4)
	0.3	0.2

Total capital expenditures for the years ended March 31, 2015 and 2014 were $0.2 million and nil, respectively. Total depreciation expense for the years ended March 31, 2015 and 2014 was $0.1 million and nil, respectively.

Note 14 - Other assets - Financial Services

Other assets of $0.2 million (2014 - $0.6 million) includes accrued interest due on loans, deposits, prepayments and other receivables due to the Bank.

Note 15 – Loans – net - Investment

At March 31	2015 $m	2014 $m
Loans (net of unearned income):		
Residential - real estate	6.4	6.4
Commercial - real estate	246.0	249.7
	252.4	256.1
Allowance for loan losses:		
Residential - real estate	(6.4)	(6.2)
Commercial - real estate	(81.6)	(75.7)
	(88.0)	(81.9)
Loans (net of unearned income and allowance for loan losses):		
Residential - real estate	–	0.2
Commercial - real estate	164.4	174.0
	164.4	174.2

Investment loans principally comprise secured loans where the borrowers have failed to comply with the terms and conditions of the respective loans and security agreements and documents.

These collateralized assets principally comprise development land or development land and buildings in the tourism, tourism related and hospitality business sectors. It is management's intention to hold the investment loan interests for the medium to long term in order to maximize the long term realizable value of the investment loans.

Investment loans are carried net of provisions for loan losses which reflect fair value adjustments (Note 28).

As a result of the nature of these financial instruments, the estimated fair market value of the loan portfolio is considered by the Group to approximate its carrying value. Loan loss provisioning is based on management's estimate of the recoverability of non-performing loans after allowing for the estimated net realizable value of collateral held.

Changes in the provision for loan losses were as follows:

Year ended March 31	2015 $m	2014 $m
At beginning of year	81.9	69.1
Provision charged to income	6.1	12.8
At end of year	88.0	81.9

Note 16 – Other assets - Investment

At March 31	2015 $m	2014 $m
Investments:		
Residential - real estate (note i)	0.9	6.0
Commercial - real estate (note ii)	15.2	2.9
	16.1	8.9
Allowance for Investment losses:		
Residential - real estate	(0.1)	(0.1)
Commercial - real estate	(0.9)	(0.9)
	(1.0)	(1.0)
Investments (net of allowance for investment losses):		
Residential - real estate	0.8	5.9
Commercial - real estate	14.3	2.0
	15.1	7.9

(i) Residential real-estate assets principally comprise residential property located in TCI.

(ii) Commercial real-estate assets principally comprise those assets held for commercial purposes located in TCI and Belize.

Note 17 – Property, plant and equipment – net – Hospitality

At March 31	2015 $m	2014 $m
Cost:		
Land and buildings	9.3	8.9
Fixtures, fittings and office equipment	2.9	2.5
Total cost	12.2	11.4
Less: total accumulated depreciation	(1.6)	(1.1)
	10.6	10.3

Total capital expenditures for the years ended March 31, 2015 and 2014 were $0.9 million and $3.7 million, respectively. Total depreciation expense for the years ended March 31, 2015 and 2014 was $0.6 million and $0.4 million, respectively.

Note 18 – Property, plant and equipment – net - Corporate

At March 31	2015 $m	2014 $m
Cost:		
Land and buildings	2.5	2.5
Fixtures, fittings and office equipment	0.3	0.3
Total cost	2.8	2.8
Less: total accumulated depreciation	(0.3)	(0.2)
	2.5	2.6

Total capital expenditures for the years ended March 31, 2015 and 2014 were nil and $0.2 million, respectively. Total depreciation expense for the years ended March 31, 2015 and 2014 was $0.1 million and $0.1 million, respectively.

Note 19 - Associates

The Group's equity investment in associates is comprised of:

(i) Investments in Latin American Associates which own edible oil processing and distribution operations and palm seed plantations in Latin America and operate as producers and distributors of edible oils, margarine, industrial oils and animal feed, principally in Costa Rica. The share of net income amounted to $17.0 million for the year ended March 31, 2015 (2014 - $19.3 million). The share of unrealized translation loss amounted to $2.5 million for the year ended March 31, 2015 (2014 - nil), and is recognized as a cumulative translation adjustment through other comprehensive loss within shareholders' equity.

(ii) A non-controlling investment in 50% of Belize International Services Limited ("BISL") which provides shipping and company registry services to international clients. BISL also provides financial and other services. The share of net income amounted to nil for the year ended March 31, 2015 (2014 - $0.5 million).

On June 10, 2013, the GOB announced its unilateral decision to assume control of the administration, operation and management of the International Business Companies Registry in Belize and the International Merchant Marine Registry of Belize (IMMARBE) with effect from June 11, 2013. WIHL holds a 50% investment in BISL, the company that had been granted the right to operate and manage the two registries on behalf of the GOB until 2020. The other 50% of BISL is owned by the Panamanian law firm, Morgan & Morgan.

As a result of this action by the GOB, WIHL has not been able to include its associate share of the income of BISL for the majority of Fiscal 2014 in its income statement or its share of other fees normally generated by BISL. In the year ended March 31, 2014, WIHL included $0.5 million together with other fees from BISL of $0.1 million.

The Board of Directors of WIHL considers the GOB's decision to disregard the sanctity of BISL's contract to be a fundamental breach of the contractual arrangements between BISL and GOB that are in place until 2020. BISL intends to vigorously defend its contractual rights and to pursue its claim in damages. BISL and WIHL will exercise all options available to vindicate their rights.

Latin American Associates comprise companies in respect of which fair market values are not readily available, but the market values are considered by the Group to exceed the carrying amounts. The investment in BISL is carried at the historic book value at the time the GOB assumed control of the operations.

Investment in Latin American Associates

At March 31	2015 $m	2014 $m
Investment in Latin American Associates	181.1	174.6

Year ended March 31	2015 $m	2014 $m
Share of Latin American Associates' earnings:	17.0	19.3
Share of Latin American Associates' other comprehensive loss:	(2.5)	–
Total dividends received during the year	8.0	9.3

At March 31, 2015, the accumulated undistributed earnings of Latin American Associates included in the consolidated retained earnings of the Group amounted to $148.1 million (2014 - $139.1 million). The accumulated comprehensive loss of Latin American Associates included in the consolidated accumulated other comprehensive loss of the Group at March 31, 2015, amounted to $2.5 million (2014 - nil).

Summarized combined unaudited financial information for Associates was as follows:

Income statement

Year ended March 31	2015 $m	2014 $m
Net sales	826.6	872.8
Gross profit	156.4	179.7
Income from continuing operations	77.5	99.9
Net income	67.0	82.3

Balance sheet

At March 31	2015 $m	2014 $m
Cash and liquid securities	253.5	257.0
Current assets	282.4	275.4
Long-term investments	50.0	48.5
Property, plant & equipment	312.7	274.5
Other non-current assets	29.0	34.9
Current liabilities	144.4	151.5
Non-current liabilities	60.0	31.1

Investment in BISL

At March 31	2015 $m	2014 $m
Investment in BISL	4.7	4.7

Year ended March 31	2015 $m	2014 $m
Share of BISL's earnings (net of amortization):	-	0.5
Total dividends and fees during the year	-	1.6
Amortization of Investment	-	0.2

Summarized unaudited financial information for BISL was as follows:

Income statement

Year ended March 31 (i)	2015 $m	2014 $m
Total sales	-	2.1
Total expenses	-	(0.8)
Net income	-	1.3

(i) The financial information for the year ended March 31, 2014, includes only the three months ended June 2013.

(ii) Since the GOB's decision to compulsorily acquire BISL in June 2013, no financial information has been made available to the Company.

Note 20 – Deposits – Financial Services

At March 31	2015 $m	2014 $m
Certificates of deposit	48.3	61.0
Demand deposits	22.2	21.3
	70.5	82.3

The maturity distribution of certificates of deposit of $0.1 million or more was as follows:

At March 31	2015 $m	2014 $m
3 months or less	25.7	29.0
Over 3 and to 6 months	10.4	26.7
Over 6 and to 12 months	11.3	3.6
Deposits less than $0.1 million	0.9	1.7
	48.3	61.0

Included in certificates of deposit at March 31, 2015 were $34.9 million (2014 - $42.6 million) of certificates of deposit denominated in US dollars, $12.9 million (2014 - $17.9 million) denominated in UK pounds sterling, and $0.5 million (2014 - $0.5 million) denominated in Euros. Included in demand deposits at March 31, 2015 were $18.1 million (2014 - $18.6 million) of demand deposits denominated in US dollars, $3.9 million (2014 - $2.5 million) denominated in UK pounds sterling, and $0.2 million (2014 - $0.2 million) denominated in Canadian dollars.

As a result of the short-term maturity of these financial instruments, their carrying value is considered by the Group to approximately equal their fair market value.

Included in demand deposits are amounts owed to BCB Holdings Limited and its subsidiaries of nil (2014 - $3.9 million) (Note 27(ii)).

Note 21 – Current liabilities – Corporate

At March 31	2015 $m	2014 $m
Series 2 Loan Notes	-	5.2
Other current liabilities	**6.0**	5.0
	6.0	10.2

At March 31, 2015, WIHL had $6.0 million in current liabilities (2014 - $10.2 million), of which $5.8 million is payable to BCB Holdings Limited as a result of consultancy fees incurred, and funds advanced in the form of unsecured interest bearing loans and deposits to WIHL (Note 27). Of the amount due on the Series 2 Loan Notes, as described in Note 22, $1.5 million (including interest) was repaid during fiscal 2015, and $4.1 million was restructured as long-term debt.

Note 22 - Long-term liabilities

At March 31	2015 $m	2014 $m
Series 3 Loan Notes (i)	**92.9**	**84.3**
Series 4 Loan Notes (ii)	**97.7**	**88.6**
Other long-term liabilities	**4.1**	-
	194.7	**172.9**

(i) Series 3 Loan Notes, being 10%, fixed rate, secured loan notes due June 2015 and issued pursuant to a loan instrument dated March 31, 2010 with an initial principal value of $57,000,000 and a cumulative liability of $66,463,321 at October 26, 2011, including all accrued interest at October 26, 2011("Series 3 Loan Notes"). The holder of the Series 3 Loan Notes has agreed to extend the due date to April 2016.

(ii) Series 4 Loan Notes, being 10%, fixed rate, secured loan notes due April 2016 and issued pursuant to a loan instrument dated March 31, 2010 with an initial principal value of $60,000,000 and a cumulative liability of $69,961,391 at October 26, 2011, including all accrued interest at October 26, 2011 ("Series 4 Loan Notes").

WIHL has agreed to grant security over the shares in Central American Holdings Limited (which owns WIHL's interests in Latin American Associates) to the holders of the Series 3 Loan Notes and the Series 4 Loan Notes. The security will be granted solely for the purpose of securing the repayment of the amounts outstanding under the Series 2 Loan Notes, Series 3 Loan Notes and Series 4 Loan Notes.

The Series 3 Loan Notes and the Series 4 Loan Notes are held by Daza Corporation ("Daza") as nominee for Lord Ashcroft who has an interest in approximately 70% of the issued share capital of the Company.

Note 23 - Commitments, contingencies and regulatory matters

(i) The Group's loans primarily result from its Financial Services division and its Investment Division and reflect a broad borrower base. There is a concentration by economic activity in the commercial real estate business sector. Credit limit, ongoing credit evaluations and account monitoring procedures are utilized to minimize the risk of loss. Substantially all of the Group's loans are fully collateralized.

(ii) The Group has foreign exchange risk which arises from accepting foreign currency deposits, primarily with respect to UK pounds sterling. To manage its foreign exchange risk related to UK pounds sterling deposits, the Group closely monitors the performance of UK pounds sterling and relies on its treasury management to eliminate any UK pounds sterling exposure at short notice to the extent possible.

(iii) The Group is a party to financial instruments with off-balance sheet risks in the normal course of business to meet the financing needs of its customers. These financial instruments include callable bonds. In addition the Group also grants short-term credit facilities to customers for periods of up to twelve months generally to meet customers' working capital requirements. These facilities are repayable on demand and are subject to review at any time. In practice, such reviews are carried out at periodic intervals agreed with the customer. Outstanding callable bonds at March 31, 2015 amounted to $125,000 (2014 – $125,000).

Since many of the commitments are expected to expire without being drawn upon in full, and because of the fluctuating aspect of the facilities, the total commitment amounts do not necessarily represent future cash requirements. The Group evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral required by the Group for the extension of credit is based on the Bank's credit evaluation of the counterparty. Collateral held varies, but may include cash deposits, accounts receivable, inventory, plant equipment, income-producing commercial properties and land.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. The terms of such guarantees do not normally exceed more than one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The terms and conditions reflected in letters of credit and guarantees provided by the Group, in so far as they may impact the fair market value of these instruments, are market sensitive and are not materially different from those that would have been negotiated at March

31, 2015. The Group holds similar collateral to that held for the short-term facilities described above and such commitments are generally fully collateralized. Outstanding standby letters of credit and financial guarantees written at March 31, 2015 amounted to nil (2014 - nil).

(iv) At March 31, 2015, the Group is a defendant in a number of pending legal and other proceedings incidental to present and former operations. The Group does not expect the outcome of these proceedings, either individually or in the aggregate, to have a material adverse effect on the consolidated financial position of the Group.

(v) In the ordinary course of business, the Company's subsidiaries are subject to regulatory examinations, information gathering requests and enquiries. As a regulatory matter develops that may have a material effect, the Company and the relevant subsidiaries, in conjunction with outside counsel, evaluate the matter on an ongoing basis in light of potentially relevant factual and legal developments. These may include settlement discussions and rulings by courts, arbitrators or others. Based on current knowledge and discussions with independent legal counsel, management does not believe that the outcome of any regulatory matter that is unresolved at March 31, 2015 would have a material adverse effect on the financial position or liquidity of the Company or its subsidiaries.

Note 24 - Share capital

At March 31	2015 $m	2014 $m
Authorized		
Ordinary shares:		
500,000,000 shares of par value $1.00	500.0	500.0
	500.0	500.0
Issued and outstanding		
Ordinary shares:		
100,007,864 shares of par value $1.00 (2014 - 100,007,864)	100.0	100.0

There has been no movement in the number of treasury shares (2015 – 105,769) held since April 1, 2013. Treasury shares are held in the balance sheet at cost of $0.1 million.

Note 25 - Concentrations of deposit and credit risk

The Group is potentially subject to financial instrument concentration of credit risk through its cash equivalents and credit extensions. The Group performs periodic evaluations of the relative credit standing of financial institutions it transacts with and places its cash and cash equivalents only with financial institutions with a high credit rating.

The Group has a credit risk concentrated in the tourism and real estate industries but does not foresee a material credit risk associated with individual credit extensions in these industries beyond what has already been prudently recognized and provided for in the financial statements. The Group monitors its risk concentration associated with credit extensions on a continuous basis in an effort to mitigate its exposure.

The Group has a concentration of deposit risk due to the existence of certain large individual client deposits. The Group manages the concentration risk by monitoring on a regular basis the distribution of maturities of its clients' deposits.

Note 26 – Regulatory capital requirements

The regulatory capital guidelines measure capital in relation to the credit and market risks of both off-balance sheet and on-balance sheet items by applying various risk weighting. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on BCBs' financial position, results of operations, or liquidity. The following table sets forth the capital requirements and the actual ratios of BCB.

	Minimum Required	Actual 2015	Actual 2014
British Caribbean Bank Limited	11.0%	52.3%	57.7%

Note 27 - Related party transactions

Lord Ashcroft, KCMG PC is a controlling shareholder in WIHL and in BCB Holdings Limited.

(i) During the year BCB Holdings Limited provided administrative and other services to WIHL. The aggregate fees paid by WIHL to BCB Holdings Limited for the year ended March 31, 2015 amounted to $1.2 million (2014 - $1.3 million).

(ii) During the year BCB Holdings Limited and its subsidiaries advanced funds in the form of unsecured interest bearing loans and deposits to WIHL. The average funds provided by BCB Holdings Limited to WIHL for the year ended March 31, 2015 amounted to $3.0 million (2014 - $5.6 million).

(iii) The balance of unpaid fees and advanced funds in the form of unsecured interest bearing loans and deposits due by WIHL to BCB Holdings Limited and subsidiaries at March 31, 2015 amounted to $5.8 million (2014 - $7.4 million). Interest paid by WIHL to BCB Holdings Limited and subsidiaries in respect of these loans, deposits, and unpaid fees for the year ended March 31, 2015 amounted to nil (2014 - $0.1 million).

(iv) The Company holds cash deposits with subsidiaries of BCB Holdings Limited. The average cash deposits held amounted to $1.7 million (2014 - $1.0 million) and the balance held at March 31, 2015 amounted to $1.5 million (2014 - $1.8 million).

Note 28 – Fair value of financial instruments

Fair value is the exchange price receivable for an asset or payable for transferring a liability in the most advantageous market for the asset or liability in an arms-length transaction between market participants on the measurement date using any of the following three levels of inputs:

Level 1 – Quoted prices for identical assets or liabilities in active markets that the Group has the ability to access on the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect the Group's evaluation of the assumptions that market participants would use in pricing an asset or liability.

The amounts reported in the balance sheets for cash and due from banks and interest-bearing deposits approximate fair value due to the short-term maturity of these instruments. The Group places its cash and cash equivalent deposits only with financial institutions with a high internationally accepted credit rating.

The carrying amounts of securities are estimated to approximate fair value given the market-sensitive interest rates, maturity terms, and market price of these instruments.

The carrying amounts of loans receivable, net of valuation allowances, are estimated to approximate fair value based on their respective interest rates, risk-related rate spreads and collateral consideration. These facilities are generally payable on demand and are subject to review at the discretion of the Group.

The fair value of investment loans is measured using third-party appraisals of underlying collaterals and Level 3 pricing models based on information and assumptions that management believes are consistent with what market participants would use in a hypothetical transaction at the measurement date, as described in Note 2 – Investment Loans.

The fair value of the Group's deposit liabilities approximates carrying values based on comparative rates offered by other banks for deposits of similar remaining maturities.

The carrying amount of long-term debt is a reasonable estimate of fair value based on the Group's incremental rates for equivalent types of financing arrangements.

Accrued expenses and other liabilities reflect current market conditions.

With regards to financial instruments with off-balance sheet risk, it is not practicable to estimate the fair value of future financing commitments. However, the terms and conditions reflected in acceptances and commitments for financing assistance are market-sensitive and are not materially different from those that would have been negotiated as of March 31, 2015.

In the opinion of the Group's management, all other financial instruments reflect current market conditions and their fair value are not expected to differ materially from carrying amounts.