Montego Freeport Limited

Financial Statements
31 March 2008

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Independent Auditors' Report

To the Members of
Montego Freeport Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Montego Freeport Limited and its subsidiary, and the accompanying financial statements of Montego Freeport Limited standing alone set out on pages 1 to 34 , which comprise the consolidated and company balance sheets as of 31 March 2008 and the consolidated and company profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as of 31 March 2008, and of the financial performance and cash flows of the group and the company for the year then ended, so far as concerns the members of the company, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

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 Act, in the manner so required.

Chartered Accountants

27 May 2008
Montego Bay, Jamaica

Montego Freeport Limited

Consolidated Profit and Loss Account

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Operating Income	6	44,374	35,165
Gain on sale of investment property	13	105,902	6,860
Fair value gains on investment property	14	172,942	107,168
Administrative expenses		(9,133)	(10,510)
Other operating expenses		(23,375)	(20,432)
Operating Profit		290,710	118,251
Finance costs	9	(2,461)	-
Profit before Taxation		288,249	118,251
Taxation	10	(3,922)	(182)
Net Profit	11	284,327	118,069
EARNINGS PER STOCK UNIT	12	$0.50	$0.21

Montego Freeport Limited

Consolidated Balance Sheet

31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Non-Current Assets			
Investment property	14	867,533	1,593,439
Property, plant and equipment	15	25,792	3,072
Current Assets			
Receivables	16	918,330	300,153
Taxation recoverable		21,085	20,575
Cash and short term deposits	17	275,017	364,124
		1,214,432	684,852
Current Liabilities			
Payables	18	151,768	334,095
Taxation payable		6,264	6,185
		158,032	340,280
Net Current Assets		1,056,400	344,572
		1,949,725	1,941,083
Stockholders' Equity			
Share capital	19	281,533	281,533
Capital reserve	20	1,658,939	1,655,262
Retained earnings		2,043	3,420
		1,942,515	1,940,215
Non-Current Liability			
Deferred tax liabilities	21	7,210	868
		1,949,725	1,941,083

Approved for issue by the Board of Directors on 27 May 2008 and signed on its behalf by:

………………………………………………..……..
Angus Gordon Director

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Jewell Spencer Director

Montego Freeport Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Capital Reserve	(Accumulated Losses)/ Retained Earnings	Total
		$'000	$'000	$'000	$'000
Balance at 1 April 2006		281,533	1,548,094	(7,481)	1,822,146
Net profit	11	-	-	118,069	118,069
Total recognised income for 2007		-	-	118,069	118,069
Transfer to capital reserve		-	107,168	(107,168)	-
Balance at 31 March 2007		281,533	1,655,262	3,420	1,940,215
Revaluation surplus, net of deferred tax		-	16,397	-	16,397
Net income recognised directly in equity		-	16,397	-	16,397
Net profit	11	-	-	284,327	284,327
Total recognised income for 2008		-	16,397	284,327	300,724
Transfer to capital reserve		-	285,704	(285,704)	-
Capital distribution			(298,424)	-	(298,424)
Balance at 31 March 2008		281,533	1,658,939	2,043	1,942,515

Montego Freeport Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Cash Flows From Operating Activities			
Net profit		284,327	118,069
Items not affecting cash:			
Depreciation	15	292	473
Gain on sale of investment property		(105,902)	(6,860)
Gain on disposal of property, plant and equipment		-	(2,032)
Increase in fair value of investment property		(172,942)	(107,168)
Exchange gain on foreign balances		(9,583)	(5,292)
Interest income	6	(44,146)	(27,053)
Taxation	10	3,922	182
		(44,032)	(29,681)
Changes in operating assets and liabilities			
Receivables		(618,177)	(293,496)
Payables		(182,327)	324,036
Cash (used in)/provided by operating activities		(844,536)	859
Interest received		45,808	26,993
Tax paid		(4,540)	(7,780)
Net cash (used in)/provided by operating activities		(803,268)	20,072
Cash Flows From Investing Activities			
Proceeds from sale of investment property		1,004,750	78,030
Proceeds from sale of property, plant and equipment		-	3,772
Purchase of property, plant and equipment		(86)	(95)
Net cash provided by investing activities		1,004,664	81,707
Cash Flows From Financing Activity			
Capital distribution		(298,424)	-
Net cash provided by financing activity		(298,424)	-
Exchange and translation gains on net foreign cash balances		9,583	5,292
Net (decrease)/increase in cash and cash equivalents		(87,445)	107,071
Cash and cash equivalents at beginning of year		361,966	254,895
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	274,521	361,966

Montego Freeport Limited

Company Profit and Loss Account

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Operating Income	6	42,727	33,271
Gain on sale of investment property	13	105,902	6,860
Fair value gains on investment property	14	172,942	107,168
Administrative expenses		(8,627)	(10,109)
Other operating expenses		(23,876)	(20,564)
Operating Profit		289,068	116,626
Finance costs	9	(2,461)	-
Profit before Taxation		286,607	116,626
Taxation	10	(3,375)	359
Net Profit	11	283,232	116,985

Montego Freeport Limited
Company Balance Sheet
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Non-Current Assets			
Investment property	14	867,533	1,593,439
Property, plant and equipment	15	1,735	1,889
Investment in subsidiary		7	7
Current Assets			
Receivables	16	918,052	299,864
Taxation recoverable		21,085	20,575
Cash and short term deposits	17	264,355	349,360
		1,203,492	669,799
Current Liabilities			
Payables	18	151,353	333,745
Taxation payable		6,105	6,105
		157,458	339,850
Net Current Assets		1,046,034	329,949
		1,915,309	1,925,284
Stockholders' Equity			
Share capital	19	281,533	281,533
Capital reserve	20	1,624,985	1,637,704
(Accumulated losses)/retained earnings		(2,299)	173
		1,904,219	1,919,410
Non-Current Liabilities			
Deferred tax liabilities	21	495	655
Subsidiary	22	10,595	5,219
		11,090	5,874
		1,915,309	1,925,284

Approved for issue by the Board of Directors on 27 May 2008 and signed on its behalf by:

…………………………………………	…………………………………………
Angus Gordon Director	Jewell Spencer Director

Montego Freeport Limited

Company Statement of Changes in Equity

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Capital Reserve	(Accumulated Losses)/ Retained Earnings	Total
		$'000	$'000	$'000	$'000
Balance at 1 April 2006		281,533	1,530,536	(9,644)	1,802,425
Net profit	11	-	-	116,985	116,985
Total recognised income for 2007		-	-	116,985	116,985
Transfer to capital reserve		-	107,168	(107,168)	-
Balance at 31 March 2007		281,533	1,637,704	173	1,919,410
Net profit	11	-	-	283,232	283,232
Total recognised income for 2008		-	-	283,232	283,232
Transfer to capital reserve		-	285,704	(285,704)	-
Capital distribution			(298,423)	-	(298,423)
Balance at 31 March 2008		281,533	1,624,985	(2,299)	1,904,219

Montego Freeport Limited

Company Statement of Cash Flows

Year ended 31 March 2008

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2008 $'000	2007 $'000
Cash Flows From Operating Activities			
Net profit		283,232	116,985
Items not affecting cash:			
Depreciation	15	240	420
Gain on sale of investment property		(105,902)	(6,860)
Gain on disposal of property, plant and equipment		-	(2,032)
Increase in fair value of investment property		(172,942)	(107,168)
Exchange gain on foreign balances		(9,583)	(5,292)
Interest income	6	(42,534)	(27,041)
Taxation	7	3,375	(359)
		(44,114)	(31,347)
Changes in operating assets and liabilities			
Receivables		(618,188)	(293,618)
Payables		(182,392)	324,007
Cash used in operating activities		(844,694)	(958)
Interest received		44,147	26,978
Tax paid		(4,044)	(6,740)
Net cash used in operating activities		(804,591)	(19,280)
Cash Flows From Investing Activities			
Proceeds from sale of investment property		1,004,750	78,030
Proceeds from disposal of property, plant and equipment		-	3,774
Purchase of property, plant and equipment		(86)	(69)
Net cash provided by investing activities		1,004,664	81,735
Cash Flows From Financing Activities			
Capital distribution		(298,424)	-
Subsidiary		5,376	781
Net cash provided by financing activities		(293,048)	781
Exchange and translation gains on net foreign cash balances		9,583	5,292
Net (decrease)/increase in cash and cash equivalents		(83,392)	107,088
Cash and cash equivalents at beginning of year		347,521	240,433
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	264,129	347,521

Montego Freeport Limited

Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

Montego Freeport Limited (the company) is a company limited by shares. The Government of Jamaica, through the Urban Development Corporation, owns approximately 82% of the issued share capital of the company, which is listed on the Jamaica Stock Exchange.

The company and its subsidiary (the Group) are incorporated and domiciled in Jamaica and have registered offices at Montego Freeport Shopping Centre, Montego Bay.

The principal activity of the Group is property ownership and rental.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of investment property and certain property, plant and equipment.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, 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 consolidated financial statements, are disclosed in Note 3.

Standards, interpretations and amendments to published standards effective in 2007

Certain interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following IFRS, which is relevant to its operations. The 2007 comparative figures have been amended as required, in accordance with the relevant requirements.

IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures. IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of the Group's capital and how it manages capital.

IFRIC 10, Interim Financial Reporting and Impairment. IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact in the Group's financial statements.

Montego Freeport Limited

Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (Continued)

There was no impact on the opening accumulated losses at 1 April 2006 from the adoption of the above-mentioned standards.

The adoption of the above standards did not result in substantial changes to the Group's accounting policies.

Standards, interpretations and amendments to published standards effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

IFRS 4, Insurance contracts

IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRIC 8, Scope of IFRS 2

IFRIC 9, Reassessment of Embedded Derivatives

IFRIC 11, IFRS 2 - Group and Treasury Share Transactions

Standards, amendments and interpretations to existing standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the balance sheet date, and which the Group has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

IAS 1 Presentation of Financial Statements (Revised) (effective from 1 January 2009).
The main objective in revising IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics. IAS 1 will affect the presentation of owner changes in equity and of comprehensive income. It will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS. IAS 1 will require a Group to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income will not be permitted to be presented in the statement of changes in equity. Management is currently assessing the impact of these changes.

IAS 27 (Revised) - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009). The main objective for this revision is to modify the circumstances under which a parent company is exempt from preparing consolidated financial statements. The parent company currently consolidates with its subsidiary and therefore this revision will not have any impact on the Group's financial reporting process.

Montego Freeport Limited

Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective (Continued)
The Group has concluded that the following standards, interpretations and amendments not yet effective are not relevant to its operations:

IAS 23 (Amendment) – Borrowing Costs (effective for annual periods beginning on or after 1 January 2009)

Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Instruments - Puttable Financial Instruments and Obligations Arising on Liquidation (effective for annual periods beginning on or after 1 January 2009)

IFRS 3 (Revised) - Business Combinations (effective for annual periods beginning on or after 1 July 2009)

IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009)

IFRIC 12, Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

IFRIC 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008)

IFRIC 14, IAS 19 – The limit of a defined benefit asset, minimum funding requirements and their interaction (effective for annual periods beginning on or after from 1 January 2008)

(b) Basis of consolidation
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

The consolidated financial statements include the assets, liabilities and results of operations of the company and its subsidiary presented as a single economic entity. Intra-group transactions, balances and unrealised gains and losses are eliminated in preparing the consolidated financial statements.

The company owns 100% of the shares in its subsidiary, Montego Shopping Centre Limited.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Group and the company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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 the profit and loss account of operations as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the investment and other reserves in stockholders' equity.

Montego Freeport Limited

Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax. Revenue is recognised as follows:

Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

(e) Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognised and disclosed for the following:

(i) Enterprises and individuals owning directly or indirectly an interest in the voting power of the company that gives them significant influence over the Group's affairs and close members of the families of these individuals.

(ii) Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers and close members of the families of these individuals.

(f) Property, plant and equipment

Property, plant and equipment are recorded at historical or deemed cost, less depreciation. Depreciation is calculated on the straight line basis to allocate the cost to their residual values over the period of their expected useful lives. The rates used are:

Buildings	2½ %
Furniture, fixtures and equipment	10 %
Motor vehicles	20 %
Jetty	2½%

Land is not depreciated.

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of the asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount.

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

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred. 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 entity. Major renovations are depreciated over the remaining useful life of the related asset.

Montego Freeport Limited
Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(g) Impairment of non-financial assets

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

(h) Investment property

Investment property not occupied by the Group, is treated as a long-term investment and carried at fair value, representing open market value determined annually. The open market value for land is determined every three years by external valuators and by the Group's directors in the intervening years. The most recent external valuation was at 31 March 2008. Changes in fair values are recorded in the profit and loss account, gains are then transferred to capital reserve.

(i) Investment in subsidiary

The investment in the subsidiary is stated at cost.

(j) Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Group 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 borrowings.

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid deposits with original maturities of three months or less.

(l) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Dividends on ordinary shares are recognised in shareholders' equity in the period in which they are approved.

(n) Income taxes

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 Group's liability for current tax is calculated at tax rates applicable at the balance sheet date.

Deferred tax is the tax that is 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.

Montego Freeport Limited
Notes to the Financial Statements
31 March 2008
(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(n) Income taxes (Continued)
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 profit and loss account, except where it relates to items charged or credited to equity, in which case deferred tax is also dealt with in equity.

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

(p) Financial instruments
Financial instruments carried on the balance sheet include receivables, cash and short term deposits, related party balances and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's financial instruments are discussed in Note 5.

(q) Comparative information
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year. In particular the comparatives have been adjusted or extended to reflect the requirements of new IFRS, as well as amendments to and interpretations of existing IFRS (Note 2(a)).

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair values of investment property
The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information the fair value of the Group's investment property is determined by independent valuators on a triennial basis and by the directors in the intervening years. In making its judgement, the Group considers information from a variety of sources including:

i) Current prices of properties of different nature, condition or location, adjusted to reflect those differences.

ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

iii) Independent valuations.

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Income taxes
Significant judgement is required in the calculation of the Group's provisions for income tax and deferred tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

Recognition of deferred tax assets which relate to tax losses, depends on management's expectation of future taxable profit that will available against which tax losses can be utilised. The outcome of their utilisation may be different.

4. Financial Risk Management

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

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The most important types of risks are credit risk, liquidity risk, market risk and other operational risks. Market risk includes currency risk and interest rate risk.

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

Credit review process
The responsibilities of the senior management of the Group include regular analysis of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables
The Group's exposure to credit risk arises mainly from the sale of investment property. Management has established a policy under which each prospective customer is analysed for their credit worthiness and their ability to pay funds when they are due. Deposits are normally placed with the Group's attorneys pending completion of sale contracts.

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4. Financial Risk Management (Continued)

(a) Credit risk (Continued)

Credit review process (Continued)

(ii) Trade and other receivables (Continued)
Management, on a quarterly basis, reviews these deposits receivable and has policies in place to ensure that sales transactions are not pending for periods longer than is necessary to complete the required paper work and meet the relevant legal requirements.

(iii) Short term deposits
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations.

(iii) Cash
Cash transactions are limited to high credit quality financial institutions. The Group has policies in place to limit the amount of exposure to any one financial institution.

Maximum exposure to credit risk
The Group's maximum exposure to credit risk at year end was as follows:

	The Group		The Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Receivables	916,288	297,978	916,282	297,978
Cash and cash equivalents	275,017	364,123	264,355	349,361
	1,191,305	662,101	1,180,637	647,339

The above table represents a worst case scenario of credit risk exposure to the Group and company at 31 March 2008 and 2007.

(b) Liquidity risk
Liquidity risk is the risk that the Group 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 Group's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Optimising cash returns on investments.

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4. Financial Risk Management (Continued)

(b) Liquidity risk (Continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Group's financial liabilities at year end based on contractual undiscounted payments was as follows:

	The Group					
	Within 1 Month $'000	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 2008:						
Trade payables and deposits	-	-	147,995	-	812	148,807
Accruals and other payables	672	1,425	70	-	794	2,961
Total financial liabilities (contractual maturity dates)	672	1,425	148,065	-	1,606	151,768

	The Group					
	Within 1 Month $'000	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 2007:						
Trade payables and deposits	-	-	329,917	-	812	330,729
Accruals and other payables	906	1,610	55	-	795	3,366
Total financial liabilities (contractual maturity dates)	906	1,610	329,972	-	1,607	334,095

	The Company					
	Within 1 Month $'000	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 2008:						
Trade payables and deposits	-	-	147,995	-	812	148,807
Accruals and other payables	522	1,195	35	-	794	2,546
Total financial liabilities (contractual maturity dates)	522	1,195	148,030	-	1,606	151,353

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4. Financial Risk Management (Continued)

(b) Liquidity risk (Continued)

Undiscounted cash flows of financial liabilities (Continued)

	The Company					
	Within 1 Month $'000	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 2007:						
Trade payables and deposits	-	-	329,917	-	812	330,729
Accruals and other payables	757	1,430	35	-	794	3,016
Total financial liabilities (contractual maturity dates)	757	1,430	329,952	-	1,606	333,745

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term deposits.

(c) Market risk
The Group 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 exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from currency exposure with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group 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 Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (Continued)

Concentrations of currency risk
The tables below summarise the Group and company's exposure to foreign currency exchange rate risk.

	The Group		
	J$	US$	Total
	J$'000	J$'000	J$'000
At 31 March 2008:			
Financial Assets			
Receivables	246,181	672,149	918,330
Cash and short term deposits	61,866	213,151	275,017
Total financial assets	308,047	885,300	1,193,347
Financial Liabilities			
Payables	49,220	102,548	151,768
Total financial liabilities	49,220	102,548	151,768
Net financial position	258,827	782,752	1,041,579

	The Group		
	J$	US$	Total
	J$'000	J$'000	J$'000
At 31 March 2007:			
Financial Assets			
Receivables	39,675	260,478	300,153
Cash and short term deposits	166,620	197,504	364,124
Total financial assets	206,295	457,982	664,277
Financial Liabilities			
Payables	73,617	260,478	334,095
Total financial liabilities	73,617	260,478	334,095
Net financial position	132,678	197,504	330,182

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (Continued)

Concentrations of currency risk (Continued)

	The Company		
	J$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 March 2008:			
Financial Assets			
Receivables	245,902	672,150	918,052
Cash and short term deposits	51,204	213,151	264,355
Total financial assets	297,106	885,301	1,182,407
Financial Liabilities			
Payables	48,805	102,548	151,353
Total financial liabilities	48,805	102,548	151,353
Net financial position	248,301	782,753	1,013,054

	The Company		
	J$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 March 2007:			
Financial Assets			
Receivables	39,386	260,478	299,864
Cash and short term deposits	151,856	197,504	349,360
Total financial assets	191,242	457,982	649,224
Financial Liabilities			
Payables	73,267	260,478	333,745
Total financial liabilities	73,269	260,478	333,745
Net financial position	117,975	197,504	315,479

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (Continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and 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 5% (2007 – 4%) change in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US dollar-denominated receivables, cash and cash equivalents, and payables. 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 variables, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	The Group					
	% Change in Currency Rate 2008	Effect on Net Profit 2008 $'000	Effect on Equity 2008 $'000	% Change in Currency Rate 2007	Effect on Net Profit 2007 $'000	Effect on Equity 2007 $'000
Currency:						
USD	5	39,238	-	4	7,925	-

	The Company					
	% Change in Currency Rate 2008	Effect on Net Profit 2008 $'000	Effect on Equity 2008 $'000	% Change in Currency Rate 2007	Effect on Net Profit 2007 $'000	Effect on Equity 2007 $'000
Currency:						
USD	5	39,238	-	4	7,925	-

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

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining a portfolio of highly liquid short term instruments.

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (Continued)
The following tables summarise the Group and company's exposure to interest rate risk. It includes the financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2008:							
Assets							
Receivables	-	-	-	-	-	918,330	918,330
Cash and short term deposits	45,306	-	-	-	-	229,711	275,017
Total financial assets	45,306	-	-	-	-	1,148,041	1,193,347
Liabilities							
Payables	-	-	-	-	-	151,768	151,768
Total financial liabilities	-	-	-	-	-	151,768	151,768
Total interest repricing gap	45,306	-	-	-	-	996,273	1,041,579

	The Group						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2007:							
Assets							
Receivables	-	-	-	-	-	300,153	300,153
Cash and short term deposits	258,160	23,625	-	-	-	82,339	364,124
Total financial assets	258,160	23,625	-	-	-	382,492	664,277
Liabilities							
Payables	-	-	-	-	-	334,095	334,095
Total financial liabilities	-	-	-	-	-	334,095	334,095
Total interest repricing gap	258,160	23,625	-	-	-	48,397	330,182

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (Continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2008:							
Assets							
Receivables	-	-	-	-	-	918,052	918,052
Cash and short term deposits	35,308	-	-	-	-	229,047	264,355
Total financial assets	35,308	-	-	-	-	1,147,099	1,182,407
Liabilities							
Payables	-	-	-	-	-	151,353	151,353
Subsidiary	-	-	-	-	-	10,595	10,595
Total financial liabilities	-	-	-	-	-	161,948	161,948
Total interest repricing gap	35,308	-	-	-	-	985,151	1,020,459

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 March 2007:							
Assets							
Receivables	-	-	-	-	-	299,864	299,864
Cash and short term deposits	249,493	18,125	-	-	-	81,742	349,360
Total financial assets	249,493	18,125	-	-	-	381,606	649,224
Liabilities							
Payables	-	-	-	-	-	333,745	333,745
Subsidiary	-	-	-	-	-	5,219	5,219
Total financial liabilities	-	-	-	-	-	338,964	338,964
Total interest repricing gap	249,493	18,125	-	-	-	42,642	310,260

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4. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (Continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Group's and company's profit and loss account and stockholders' equity.

The Group's interest rate risk arises from short term investments. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net profit based on floating rate borrowing. The sensitivity of stockholders' equity is affected by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. There were no such financial assets during the year. 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. It should be noted that movements in these variables are non-linear.

The Group

Change in Basis Points	Effect on Net Profit	Effect on Equity	Change in Basis Points	Effect on Net Profit	Effect on Equity
2008	2008 $'000	2008 $'000	2007	2007 $'000	2007 $'000
-243	1,074	-	-100	(289)	-
+243	(1,074)	-	+100	289	-

The Company

Change in Basis Points	Effect on Net Profit	Effect on Equity	Change in Basis Points	Effect on Net Profit	Effect on Equity
2008	2008 $'000	2008 $'000	2007	2007 $'000	2007 $'000
-238	(347)	-	-100	270	-
+238	347	-	+100	(270)	-

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4. Financial Risk Management (Continued)

(d) Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

During accounting year 2008, the Group's strategy, which was unchanged from 2007, was to maintain the capital structure.

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

The Group is not subjected to any externally imposed capital requirement.

5. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date.

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities are cash and short term deposits, receivables and payables.

The fair value of the amounts due to the subsidiary cannot be reasonably determined as these instruments were granted under special terms and are not likely to be traded in a fair market exchange.

6. Operating Income

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Interest income	44,146	28,922	42,534	27,041
Net foreign exchange gain	-	4,007	-	4,007
Miscellaneous	228	2,236	193	2,223
	44,374	35,165	42,727	33,271

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7. Expenses by Nature

Total direct, administration and other operating expenses:

	The Group		The Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation	292	473	240	421
Property expenses	1,708	1,709	1,303	1,155
Directors' expenses	1,297	709	1,297	709
Managers' expenses	230	137	230	137
Auditors' remuneration -				
Current year	2,025	1,760	1,645	1,430
Prior year	733	366	652	325
Legal and professional fees	1,862	3,581	1,838	3,574
Staff costs (Note 8)	18,087	15,777	18,087	15,777
Office	704	634	704	634
Utilities	1,129	1,339	1,129	1,339
Insurance	1,206	919	1,206	919
Motor vehicle	851	923	851	923
Travel and entertainment	432	360	432	360
General Consumption Tax	1,087	842	1,087	842
Other	866	1,413	1,802	2,128
	32,508	30,942	32,503	30,673

8. Staff Costs

	The Group and The Company	
	2008	**2007**
	$'000	**$'000**
Salaries and wages	12,281	11,498
Termination	2,353	-
Statutory contributions	1,299	1,263
Other	2,154	3,016
	18,087	15,777

The number of persons employed full-time by the Group at year end was 14 (2007 -19).

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9. Finance Costs

	The Group and The Company	
	2008 **$'000**	**2007** **$'000**
Net foreign exchange losses	2,461	-

10. Taxation

Taxation is based on the profit for the year adjusted for taxation purposes for the Group and comprises income tax at $33^{1}/_{3}$%:

	The Group		The Company	
	2008 **$'000**	**2007** **$'000**	**2008** **$'000**	**2007** **$'000**
Current taxation	4,109	579	3,535	29
Deferred taxation (Note 21)	(187)	(397)	(160)	(388)
	3,922	182	3,375	(359)

Reconciliation of applicable tax charge to effective tax charge:

	The Group		The Company	
	2008 **$'000**	**2007** **$'000**	**2008** **$'000**	**2007** **$'000**
Profit before tax	288,249	118,251	286,607	16,627
Tax calculated at $33^{1}/_{3}$%	96,083	39,417	95,536	38,875
Adjusted for the effects of:				
Income not subject to tax	(94,737)	(40,742)	(94,648)	(40,435)
Expenses not deductible for tax purposes	5,087	864	4,963	740
Tax loss for year	-	285	-	285
Other charges and allowances	(2,511)	358	(2,476)	376
Tax charge/(credit)	3,922	182	3,375	(359)

11. Profit Attributable to Stockholders

	2008 **$'000**	**2007** **$'000**
(a) Net profit is dealt with as follows in the financial statements of:		
The company	283,232	116,985
Subsidiary	1,095	1,084
	284,327	118,069

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11. Profit Attributable to Stockholders (Continued)

	2008 $'000	2007 $'000
(b) Retained earnings are dealt with as follows in the financial statements of:		
The company	(2,299)	173
Subsidiary	4,342	3,247
	2,043	3,420

12. Earnings per Stock Unit

The calculation of the earnings per stock unit is based on the profit after taxation and the number of stock units in issue during the year.

	2008 $	2007 $
Net profit attributable to stockholders ($'000)	284,327	118,069
Weighted average number of stock units in issue ($'000)	563,065	563,065
Earnings per stock unit ($)	0.50	0.21

13. Gain on Sale of Investment Property

This represents the gain on sale of investment property held by the Group.

14. Investment Property

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
At beginning of year	1,593,439	1,557,441	1,593,439	1,557,441
Disposed during the year	(898,848)	(71,170)	(898,848)	(71,170)
Fair value gains	172,942	107,168	172,942	107,168
At end of year	867,533	1,593,439	867,533	1,593,439

No rental income was earned on investment property for the Group. No repairs and maintenance expenditure was incurred in relation to investment property for the year (2007 - $57,000).

Land and building included in investment property were valued on the basis of current market values by independent valuators, Chang, Rattray and Company as at 31 March 2008.

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15. Property, Plant and Equipment

The Group

	Freehold Land $'000	Buildings $'000	Furniture, Fixtures and Equipment $'000	Motor Vehicles $'000	Jetty $'000	Total $'000
			2008			
At Cost -						
1 April 2007	143	2,072	2,161	996	1,005	6,377
Additions	-	-	86	-	-	86
Revaluation	3,337	18,911	-	-	-	22,248
31 March 2008	3,480	20,983	2,247	996	1,005	28,711
Accumulated Depreciation -						
1 April 2007	-	927	1,158	994	226	3,305
Charge for the year	-	52	215	2	23	292
Revaluation	-	(678)	-	-	-	(678)
31 March 2008	-	301	1,373	996	249	2,919
Net Book Value -						
31 March 2008	3,480	20,682	874	-	756	25,792
			2007			
At Cost -						
1 April 2006	319	3,780	2,937	996	1,005	9,037
Additions	-	-	95	-	-	95
Disposals	(176)	(1,708)	(871)	-	-	(2,755)
31 March 2007	143	2,072	2,161	996	1,005	6,377
Accumulated Depreciation -						
1 April 2006	-	1,520	1,290	836	201	3,847
Charge for the year	-	62	228	158	25	473
Disposal	-	(655)	(360)	-	-	(1,015)
31 March 2007	-	927	1,158	994	226	3,305
Net Book Value -						
31 March 2007	143	1,145	1,003	2	779	3,072

The subsidiary's land and buildings were revalued on 31 March 2008 by independent valuators on the basis of open market values. The surplus on revaluation, net of deferred income taxes in the case of buildings, is credited to capital reserve.

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15. Property, Plant and Equipment (Continued)

If buildings were stated at the historical cost basis, the amounts would be as follows:

	2008 $'000	2007 $'000
Cost	2,072	2,072
Accumulated Depreciation	979	927
Net book value	1,093	1,145

The Company

	Land $'000	Buildings $'000	Furniture, Fixtures and Equipment $'000	Motor Vehicles $'000	Jetty $'000	Total $'000
			2008			
At Cost -						
1 April 2007	-	464	2,038	995	1,005	4,502
Additions	-	-	86	-	-	86
Disposals	-	-	-	-	-	-
31 March 2008	-	464	2,124	995	1,005	4,588
Accumulated Depreciation -						
1 April 2007	-	289	1,105	993	226	2,613
Charge for the year	-	12	201	2	25	240
Disposal	-	-	-	-	-	-
31 March 2008	-	301	1,306	995	251	2,853
Net Book Value -						
31 March 2008	-	163	818	-	754	1,735
			2007			
At Cost -						
1 April 2006	176	2,172	2,840	995	1,005	7,188
Additions	-	-	69	-	-	69
Disposals	(176)	(1,708)	(871)	-	-	(2,755)
31 March 2007	-	464	2,038	995	1,005	4,502
Accumulated Depreciation -						
1 April 2006	-	922	1,247	836	201	3,206
Charge for the year	-	22	216	157	25	420
Disposal	-	(655)	(358)	-	-	(1,013)
31 March 2007	-	289	1,105	993	226	2,613
Net Book Value -						
31 March 2007	-	175	933	2	779	1,889

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16. Receivables

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Trade	53	53	53	53
Deposits	916,247	297,938	916,243	297,938
Other	2,030	2,162	1,756	1,873
	918,330	300,153	918,052	299,864

17. Cash and Short Term Deposits

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Cash at bank and in hand	229,215	80,180	228,820	79,904
Short term deposits	45,306	281,786	35,309	267,617
Cash and cash equivalents	274,521	361,966	264,129	347,521
Interest receivable on short term deposits	496	2,158	226	1,839
	275,017	364,124	264,355	349,360

The weighted average effective interest rate on cash and short term deposits was 12.28% (2007 – 9.87%) and these deposits have an average maturity of under 90 days.

18. Payables

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Trade	812	812	812	812
Deposits on sale of investment property	103,902	300,609	103,902	300,609
Accruals	2,961	3,362	2,546	3,011
Dividend payable	44,093	29,308	44,093	29,308
Other	-	4	-	5
	151,768	334,095	151,353	333,745

19. Share Capital

The total authorised number of ordinary shares is 564,000,000 (2007 – 564,000,000).

	2008 $'000	**2007 $'000**
Issued and fully paid –		
563,065,000 ordinary shares	281,533	281,533

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20. Capital Reserve

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Surplus from fair value gains and sale of investment property	1,936,824	1,651,120	1,923,409	1,637,704
Unrealised surplus on revaluation of property, plant and equipment	20,539	4,142	-	-
Capital distribution	(298,424)	-	(298,424)	-
	1,658,939	1,655,262	1,624,985	1,637,704

21. Deferred Taxation

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of $33^1/_3$%.

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

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Net liabilities at beginning of year	868	1,265	655	1,043
Credited to profit and loss account (Note 10)	(187)	(397)	(160)	(388)
Charged to equity	6,529	-	-	-
Net liabilities at end of year	7,210	868	495	655

Deferred income tax assets and liabilities are due to the following items:

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Deferred income tax assets -				
Tax losses	-	(1,722)	-	(1,722)
Deferred income tax liabilities -				
Unrealised foreign exchange gains	201	1,541	201	1,541
Interest receivable	166	719	75	612
Accelerated tax depreciation	6,843	330	219	224
	7,210	2,590	495	2,377
Net liabilities	7,210	868	495	655

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21. Deferred Taxation (Continued)

The deferred tax credit in the profit and loss account comprises the following temporary differences:

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $'000**	**2007 $'000**
Tax losses carried forward	1,722	336	1,722	336
Accelerated tax depreciation	(15)	497	(5)	496
Unrealised exchange gain	(1,340)	(424)	(1,340)	(423)
Interest receivable	(554)	(12)	(537)	(21)
	(187)	(397)	(160)	(388)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The offset amounts shown in the balance sheet include the following:

	The Group		The Company	
	2008 $'000	**2007 $'000**	**2008 $,000**	**2007 $,000**
Deferred income tax assets to be recovered -				
After more than 12 months	-	(1,722)	-	(1,722)
Deferred income tax liabilities to be extinguished -				
After more than 12 months	7,044	1,871	420	1,765
Within 12 months	166	719	75	612
	7,210	2,590	495	2,377
Net deferred income tax liabilities	7,210	868	495	655

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22. Related Party Transactions and Balances

The following transactions were carried out with related parties:

(i) Transactions in the normal course of business

	2008 $'000	2007 $'000
Rental and maintenance paid to subsidiary	709	939

(ii) Key management compensation

	2008 $'000	2007 $'000
Salaries and other short-term employee benefits	4,030	3,947
Statutory contributions	1,329	1,202
Termination costs	1,237	-
Other	1,218	2,098
	7,814	7,247
Directors' emoluments -		
Fees	589	447
Management remuneration (included above)	1,426	800
	2,015	1,247

(iii) Loans/advances from subsidiary (net) -

	2008 $'000	2007 $'000
At beginning of year	5,219	4,438
Additions	5,376	781
At end of year	10,595	5,219

Balances due to the subsidiary are interest free, have no set repayment terms and are not due for payment within the next twelve months.

23. Contingent Liability

The Group is contingently liable for land reclamation costs in respect of the sale of one of its investment properties. The reclamation costs must however exceed US$1,000,000 and the Group will be liable for half of the cost in excess of US$1,000,000 up to maximum of US$250,000. No provision for the reclamation costs has been made in these financial statements as the expected cost of the reclamation is unknown as at the date of these financial statements.

The maximum liability of US$250,000 is being held by the Group's attorneys in an escrow account pending the determination of the reclamation costs.