PRICEWATERHOUSECOOPERS

Kingston Wharves Limited

Financial Statements
31 December 2009

Kingston Wharves Limited
Index
31 December 2009

PRICEWATERHOUSECOOPERS

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Independent Auditor's Report

To the Members of
Kingston Wharves Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Kingston Wharves Limited and its subsidiaries, ('the group') and the accompanying financial statements of Kingston Wharves Limited standing alone set out on pages 1 to 65, which comprise the consolidated and company balance sheets as of 31 December 2009 and the consolidated and company statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditor's Responsibility

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

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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 December 2009, 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.

PricewaterhouseCoopers
Chartered Accountants

30 March 2010
Kingston, Jamaica

Kingston Wharves Limited
Group Statement of Comprehensive Income
Year ended 31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Revenue		2,570,325	2,774,922
Cost of sales		(1,389,021)	(1,552,564)
Gross Profit		1,181,304	1,222,358
Other operating income	8	186,527	171,271
Administration expenses		(674,740)	(676,101)
Operating Profit		693,091	717,528
Finance costs	9	(497,056)	(500,043)
Profit before Income Tax		196,035	217,485
Income tax expense	10	(40,955)	(51,506)
Net Profit		155,080	165,979
Other Comprehensive Income			
Surplus recognised on revaluation of property, plant and equipment		-	2,859,164
Deferred tax effect on other comprehensive income	26	-	(567,353)
Other Comprehensive Income for year net of Tax		-	2,291,811
Total Comprehensive Income		155,080	2,457,790
Net Profit Attributable to:			
Equity holders of the company	11	145,333	160,705
Minority interest	12	9,747	5,274
		155,080	165,979
Total Comprehensive Income Attributable to:			
Equity holders of the company	11	145,333	2,452,516
Minority interest	12	9,747	5,274
		155,080	2,457,790
Earnings per stock unit for profit attributable to the equity holders of the company during the year	13	$0.14	$0.15

Kingston Wharves Limited

Group Balance Sheet

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
ASSETS			
Non-current Assets			
Property, plant and equipment	15	10,156,401	10,268,305
Recoverable from special reserve fund	17	55,107	68,794
Deferred income tax assets	26	1,363	1,183
Retirement benefit asset	18	329,699	312,355
		10,542,570	10,650,637
Current Assets			
Inventories		3,662	6,251
Trade and other receivables	20	485,780	388,815
Taxation recoverable		8,490	5,762
Short term investments	21	1,057,352	1,127,755
Cash and bank	21	62,781	54,340
		1,618,065	1,582,923
Total assets		12,160,635	12,233,560

Kingston Wharves Limited
Group Balance Sheet
31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
EQUITY			
Stockholders' Equity			
(attributable to equity holders of the company)			
Share capital	22	291,648	291,648
Capital reserves	23	5,396,866	5,384,287
Asset replacement/rehabilitation and depreciation reserves	24	214,601	208,588
Retained earnings		1,531,258	1,404,517
		7,434,373	7,289,040
Minority Interest	12	42,600	32,853
		7,476,973	7,321,893
LIABILITIES			
Non-current Liabilities			
Borrowings	25	2,576,003	2,709,878
Deferred income tax liabilities	26	1,266,774	1,369,312
Retirement benefit obligations	18	119,041	86,289
		3,961,818	4,165,479
Current Liabilities			
Trade and other payables	27	248,719	312,554
Taxation		41,851	33,258
Borrowings	25	431,274	400,376
		721,844	746,188
Total equity and liabilities		12,160,635	12,233,560

Approved for issue by the Board of Directors on 30 March 2010 and signed on its behalf by:

Grantley Stephenson — Chairman/CEO

Alvin Henry — Director

Kingston Wharves Limited

Group Statement of Changes in Equity

Year ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

		Attributable to equity holders of the company					Minority Interest	Total Equity
	Note	Share Capital	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation Reserves	Retained Earnings	Total		
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2007		291,648	3,079,897	151,704	1,366,907	4,890,156	27,579	4,917,735
Total comprehensive income for the year		-	2,291,811	-	160,705	2,452,516	5,274	2,457,790
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	24	-	-	56,884	(56,884)	-	-	-
Transfer to asset replacement/ rehabilitation and depreciation reserves	24	-	-	12,579	(12,579)	-	-	-
Transfer from asset replacement/rehabilitation and depreciation reserves	24	-	12,579	(12,579)	-	-	-	-
Dividends paid	14	-		-	(53,632)	(53,632)	-	(53,632)
Balance at 31 December 2008		291,648	5,384,287	208,588	1,404,517	7,289,040	32,853	7,321,893
Total comprehensive income for the year		-	-	-	145,333	145,333	9,747	155,080
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	24	-	-	6,013	(6,013)	-	-	-
Transfer to asset replacement/ rehabilitation and depreciation reserves	24	-	-	12,579	(12,579)	-	-	-
Transfer from asset replacement/rehabilitation and depreciation reserves	24	-	12,579	(12,579)	-	-	-	-
Balance at 31 December 2009		291,648	5,396,866	214,601	1,531,258	7,434,373	42,600	7,476,973

Kingston Wharves Limited
Group Statement of Cash Flows
Year ended 31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Cash flows from operating activities			
Net profit		155,080	165,979
Adjustments for:			
Depreciation	15	253,800	215,187
Foreign exchange loss on long term loans	9	313,610	332,020
Loss on disposal of property, plant and equipment		54	516
Retirement benefit asset		(17,344)	(9,287)
Retirement benefit obligations		32,752	4,380
Interest income	8	(136,124)	(116,421)
Interest expense	9	183,446	168,023
Taxation	10	40,955	51,506
		826,229	811,903
Changes in operating assets and liabilities:			
Inventories		2,589	(2,138)
Trade and other receivables		(127,078)	(167,365)
Trade and other payables		(63,835)	(76,566)
Recoverable from special reserve fund		13,687	(21,392)
Cash provided by operations		651,592	544,442
Tax paid		(137,808)	(61,982)
Interest paid		(183,446)	(165,977)
Interest received		113,806	115,048
Net cash provided by operating activities		444,144	431,531
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(141,950)	(390,520)
Proceeds from sale of property, plant and equipment		-	1,076
Net cash used in investing activities		(141,950)	(389,444)
Cash flows from financing activities			
Dividends paid	14	-	(53,632)
Long term loans received		24,133	483,238
Long term loans repaid		(440,720)	(311,780)
Net cash (used in)/provided by financing activities		(416,587)	117,826
Net (decrease)/increase in cash and cash equivalents		(114,393)	159,913
Net cash and cash equivalents at beginning of year		1,182,095	967,421
Exchange gains on foreign currency cash and cash equivalents		52,431	54,761
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	21	1,120,133	1,182,095

Kingston Wharves Limited
Company Statement of Comprehensive Income
Year ended 31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Revenue		1,948,216	2,188,587
Cost of sales		(1,020,663)	(1,215,862)
Gross Profit		927,553	972,725
Other operating income	8	117,167	141,763
Administration expenses		(459,867)	(477,310)
Operating Profit		584,853	637,178
Finance costs	9	(520,284)	(526,113)
Profit before Income Tax		64,569	111,065
Income tax expense	10	(749)	(15,857)
Net Profit		63,820	95,208
Other Comprehensive Income			
Surplus recognised on revaluation of property, plant and equipment		-	1,488,714
Deferred tax effect on other comprehensive income	26	-	(261,536)
Other Comprehensive Income for year net of Tax		-	1,227,178
Total Comprehensive Income		63,820	1,322,386

Kingston Wharves Limited

Company Balance Sheet

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
ASSETS			
Non-current Assets			
Property, plant and equipment	15	7,329,811	7,388,175
Investments in subsidiaries	16	75,731	75,731
Recoverable from special reserve fund	17	55,107	68,794
Retirement benefit asset	18	329,699	312,355
		7,790,348	7,845,055
Current Assets			
Trade and other receivables	20	335,134	277,617
Group companies	19	1,464	11,255
Short term investments	21	517,329	711,978
Cash and bank	21	38,314	33,285
		892,241	1,034,135
Total assets		8,682,589	8,879,190

Kingston Wharves Limited
Company Balance Sheet
31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
EQUITY			
Stockholders' Equity			
Share capital	22	291,648	291,648
Capital reserves	23	2,865,616	2,853,037
Asset replacement/rehabilitation and depreciation reserves	24	212,968	207,252
Retained earnings		1,130,665	1,085,140
		4,500,897	4,437,077
LIABILITIES			
Non-current Liabilities			
Borrowings	25	2,673,918	2,819,943
Deferred income tax liabilities	26	646,781	741,492
Retirement benefit obligations	18	119,041	86,289
		3,439,740	3,647,724
Current Liabilities			
Trade and other payables	27	197,574	269,036
Group companies	19	51,149	56,582
Taxation payable		36,755	30,145
Borrowings	25	456,474	438,626
		741,952	794,389
Total equity and liabilities		8,682,589	8,879,190

Approved for issue by the Board of Directors on 30 March 2010 and signed on its behalf by:

Grantley Stephenson — Chairman/CEO

Alvin Henry — Director

Kingston Wharves Limited

Company Statement of Changes in Equity

Year ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation Reserves	Retained Earnings	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 31 December 2007		291,648	1,613,280	150,591	1,112,804	3,168,323
Total comprehensive income for the year		-	1,227,178	-	95,208	1,322,386
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	24	-	-	56,661	(56,661)	-
Transfer to asset replacement/rehabilitation and depreciation reserves	24	-	-	12,579	(12,579)	-
Transfer from asset replacement/ rehabilitation and depreciation reserves	24	-	12,579	(12,579)	-	-
Dividends paid	14	-	-	-	(53,632)	(53,632)
Balance at 31 December 2008		291,648	2,853,037	207,252	1,085,140	4,437,077
Total comprehensive income for the year		-	-	-	63,820	63,820
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	24	-	-	5,716	(5,716)	-
Transfer to asset replacement/rehabilitation and depreciation reserves	24	-	-	12,579	(12,579)	-
Transfer from asset replacement/ rehabilitation and depreciation reserves	24	-	12,579	(12,579)	-	-
Dividends paid	14	-	-	-	-	-
Balance at 31 December 2009		291,648	2,865,616	212,968	1,130,665	4,500,897

Kingston Wharves Limited

Company Statement of Cash Flows

Year ended 31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Cash flows from operating activities			
Net profit		63,820	95,208
Adjustments for:			
Depreciation	15	187,871	174,183
Foreign exchange loss on long term loans	9	313,610	332,020
Gain on disposal of property, plant and equipment		-	(53)
Retirement benefit asset		(17,344)	(9,287)
Retirement benefit obligations		32,752	4,380
Interest income	8	(49,650)	(66,429)
Interest expense	9	206,674	194,093
Taxation	10	749	15,857
		738,482	739,972
Changes in operating assets and liabilities:			
Group companies		(946)	(9,167)
Trade and other receivables		(108,961)	(153,218)
Trade and other payables		(71,462)	(63,574)
Recoverable from special reserve fund		13,687	(21,392)
Cash provided by operations		570,800	492,621
Tax paid		(88,850)	(21,245)
Interest paid		(201,370)	(189,349)
Interest received		52,389	67,501
Net cash provided by operating activities		332,969	349,528
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(129,507)	(384,344)
Proceeds from sale of property, plant and equipment		-	261
Net cash used in investing activities		(129,507)	(384,083)
Cash flows from financing activities			
Dividends paid	14	-	(53,632)
Long term loans received		24,133	483,238
Long term loans repaid		(465,920)	(334,780)
Net cash (used in)/provided by financing activities		(441,787)	94,826
Net (decrease)/increase in cash and cash equivalents		(238,325)	60,271
Net cash and cash equivalents at beginning of year		712,363	599,239
Exchange gains on foreign currency cash and cash equivalents		48,705	52,853
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	21	522,743	712,363

Kingston Wharves Limited

1. Identification and Principal Activities

The company and its subsidiaries (the Group) are incorporated and domiciled in Jamaica. The principal activities of the company and its subsidiaries comprise the operation of public wharves, port security services and the provision and installation of cold storage facilities.

The wharfage rates and penal charges billed to customers by the company are subject to regulation by the Port Authority of Jamaica. The tariff rate structure which was approved by the Port Authority of Jamaica became effective in April 1998.

The company's registered office is located at the Kingport Building, Third Street, Newport West, Kingston.

The company is a public company listed on the Jamaica Stock Exchange.

2. Summary of 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

These financial statements 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 property, plant and equipment and financial assets and liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, 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 4.

Standards, interpretations and amendments to published standards effective in 2009

Certain new accounting standards, 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 standards, interpretations and amendments and has put into effect the following IFRS, which are immediately relevant to its operations.

- IFRS 7 'Financial instruments – Disclosures' (amendment)
  The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per stock unit.

- IFRS 8, 'Operating segments'
  IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the U.S. standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a 'management approach', under which segment information is presented on the basis as that used for internal reporting purposes. Management has assessed the standard and concluded that the number of reportable segments, as well as the manner in which the segments are reported in the prior year, are consistent with the requirements of the new standard. Consequently, segment reporting is done on a basis consistent with the prior year.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2009 (continued)

- IAS 1 (Revised). 'Presentation of financial statements'
The main objective in revising IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics. IAS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS. IAS 1 requires an entity 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 are not be permitted to be presented in the statement of changes in equity. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per stock unit.

- IAS 19 (Amendment), 'Employee benefits'
The amendment to the standard clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, and an amendment that changes benefits attributable to past service gives rise to a negative past service cost, if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits is now based on whether benefits are due to be settled within or after 12 months of employee service being rendered. Under the amendment, guidance that states IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' requires contingent liabilities to be recognised has been removed. Management has determined that there is no material impact on the Group's financial statements.

- IAS 23 (Amendment), Borrowing costs'
The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale). The option of immediately expensing those borrowing costs will be removed. The Group adopted this amendment from 2007.

- IAS 36 (Amendment), 'Impairment of assets'
The amendment stipulates that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculations should be made. Management has assessed the standard and has determined that there is no material impact on the Group's financial statements.

Kingston Wharves Limited

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretations to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but 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 relevant to its operations. The impact of the changes is still being assessed by management.

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).
  This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

- IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1July 2009).
  The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009).
  The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'.
  The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

- IAS 1 (amendment), 'Presentation of financial statements'.
  The amendment provides clarification that the potential settlement of a liability by issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

Kingston Wharves Limited
Notes to the Financial Statements
31 December 2009
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose 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 existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

The subsidiaries, which are all incorporated and domiciled in Jamaica, are as follows:

Subsidiaries	**Principal Activities**	**Holding**	**Financial Year End**
Trading			
Harbour Cold Stores Limited	Provision and installation of cold storage facilities	100%	31 December
Security Administrators Limited	Port security services	66 ⅔%	31 December
Western Storage Limited	Property rental	100%	31 December
Western Terminals Limited	Property rental	100%	31 December
Non-Trading			
Jamaica Cooling Stores Limited		100%	31 December
Kingston Terminal Operators Limited		100%	31 December
Sub-Subsidiary			
Security Administrators Specialist Services Limited	Security services	66 ⅔%	31 December

Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the statement of comprehensive income.

Kingston Wharves Limited

2. Summary of Significant Accounting Policies (Continued)

(c) Property, plant and equipment

Land and buildings comprise mainly walls, piers, dredging facilities, roadways, warehouses and offices. Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the asset's carrying amount after revaluation equals its revalued amount. Fair value represents open market value for land while buildings are shown at depreciated replacement cost as there is no market-based evidence of fair value because of the specialised nature of the buildings and the buildings cannot be sold except as part of a continuing business. All other property, plant and equipment are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to capital reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against capital reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. The annual rates in use are:

Plant and buildings comprising buildings, leasehold properties, walls, piers, dredging and roadways	1.33% - 5%
Machinery and equipment	3% - 20%
Cold room and air conditioning equipment	10%
Furniture and fixtures	5% - 10%
Motor vehicles	10% - 20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter the term of the relevant lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(d)).

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with their carrying amounts and are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Kingston Wharves Limited

2. Summary of Significant Accounting Policies (Continued)

(d) 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. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(e) Revenue recognition

Revenue comprises the fair value of the 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, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities.

Revenue is recognised as follows:

Sales of services

These are charges made for wharfage operations, port security, installation of cold storage facilities, storage and warehousing of goods after deduction of discounts and other reductions applicable to such charges.

Wharfage and other revenue items are accounted for on an accrual basis, except penal charges which are accounted for on a cash basis.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(f) Foreign currency translation

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's functional and presentation currency.

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 statement of comprehensive income.

(g) Investments in subsidiaries

Investments by the company in subsidiaries are stated at cost.

Kingston Wharves Limited

2. Summary of Significant Accounting Policies (Continued)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling expenses.

(i) Employee benefits

Pension obligations

The Group participates in a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. The scheme is generally funded by payments from employees and the Group taking into account the recommendations of independent qualified actuaries. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains and losses and unrecognised past service costs. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reductions in future contributions to the fund. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on Government securities which have terms to maturity approximating the terms of the related liability.

Past service costs are recognised immediately to the extent that the benefits are already vested, or otherwise are amortised on a straight line basis over the average period until the benefits become vested.

A portion of actuarial gains and losses is charged or credited to income if the net cumulative actuarial gains or losses at the end of the previous reporting period exceeded the greater of 10% of the:

(i) Present value of the gross defined benefit obligation at that date; and

(ii) The fair value of the plan assets at that date.

Any excess actuarial gains or losses are charged or credited to income over the average remaining service lives of the related employees.

Other post-employment obligations

The Group provides post-employment healthcare benefits to its retirees. The entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit pension plan. These obligations are valued annually by independent qualified actuaries.

Termination benefits

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

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2. Summary of Significant Accounting Policies (Continued)

(j) 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 Group 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.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of 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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at market interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the statement of comprehensive income.

(l) Trade payables

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

(m) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(n) Provisions

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

2. Summary of Significant Accounting Policies (Continued)

(o) Taxation
Taxation on the profit for the year comprises current and deferred income taxes.

Current income tax charges are based on taxable profit for the year, which differs 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 income tax is calculated at tax rates that have been enacted at the balance sheet date.

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

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

Tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same Tax Authority and when the legal right of offset exists.

(p) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(q) Dividends
Dividend distribution to the company's equity holders is recognised initially as a liability in the Group's financial statements in the period in which the dividends are approved by the company's equity holders.

(r) Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

2. Summary of Significant Accounting Policies (Continued)

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(u) Financial instruments

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

Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as long term receivables and trade and other receivables in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. These assets are classified as current assets and are included in related companies, and cash and short term investments on the balance sheet.

Other liabilities

The Group's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. They are included in bank overdrafts, trade and other payables, related companies' balances and long term loans on the balance sheet.

(v) 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. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. 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 guidance for overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

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

The Board, through the Audit Committee, oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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

(a) Credit risk

The Group is exposed to credit risk where one party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. The Group manages its concentrations of credit risk and places its cash and cash equivalents with high quality financial institutions. The Group limits the amount of credit exposure to any one financial institution. The Group's customer base comprises a number of shipping lines represented by their local agents and numerous other customers in a variety of business sectors. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

Credit review process

Management performs regular analyses of the ability of customers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit limits are assigned to each customer, which represent the maximum credit allowable without further approval from the Chief Financial Officer and these are reviewed annually. The Group has procedures in place to restrict customer orders to prevent credit limits from being exceeded.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(i) Trade and other receivables (continued)

The Group's credit period for the sale of goods is 21 days. The Group has made a provision in the accounts against receivables that may not be recoverable. This is determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

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.

Maximum exposure to credit risk

	Maximum exposure			
	The Group		**The Company**	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Credit risk exposures are as follows:				
Short term investments	1,057,352	1,127,755	517,329	711,978
Trade and other receivables	485,780	388,815	335,134	277,617
Group companies	-	-	1,464	11,255
Cash	62,781	54,340	38,314	33,285
	1,605,913	1,570,910	892,241	1,034,135

The above table represents a worst case scenario of credit risk exposure to the Group and company at 31 December 2009 and 2008. There was no renegotiation of terms for trade or other receivables during 2008 and 2009.

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

Trade receivables that are less than fifty-nine (59) days past due are not considered impaired. As of 31 December 2009, trade receivables of $123,088,000 (2008 - $111,256,000) for the Group and $75,808,000 (2008 - $90,731,000) for the company were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	The Group		**The Company**	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
30 to 59 days past due	123,088	111,256	75,808	90,731

Kingston Wharves Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

(ii) Aging analysis of trade receivables that are past due and are impaired

As of 31 December 2009, trade receivables of $16,903,000 (2008 - $16,767,000) and $15,548,000 (2008 - $548,000) for the Group and company respectively were impaired. The amount of the provision was $16,903,000 (2008 - $16,767,000) and $15,548,000 (2008 - $548,000) for the Group and company respectively. The individually impaired receivables mainly relate to customers who are in unexpected difficult economic situations.

The aging of these receivables is as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Over 6 months	16,903	16,767	15,548	548

Movements on the provision for impairment of trade receivables are as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At 1 January	16,767	708	548	548
Provision for receivables impairment	16,385	16,398	15,000	-
Receivables written off during the year as uncollectible	(16,249)	(234)	-	-
Unused amounts reversed	-	(105)	-	-
At 31 December	16,903	16,767	15,548	548

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

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

Kingston Wharves Limited

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Concentrations of risk

(i) Trade receivables

The following table summarises the Group and company's credit exposure for trade receivables at their carrying amounts, as categorised by the concentration of customers:

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Top ten customers	362,721	282,262	304,058	232,643
Other	57,006	25,941	16,977	21,816
	419,727	308,203	321,035	254,459
Less: Provision for impairment	(16,903)	(16,767)	(15,548)	(548)
	402,824	291,436	305,487	253,911

The majority of trade receivables are due from foreign domiciled customers with payment made through local agents.

(ii) Short term investments

The Group's short term investments comprise repurchase agreements held with financial institutions.

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3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group may be 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, as carried out within the Group and monitored by the Board of Directors, 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 committed lines of credit;

(iii) Optimising cash returns on investment;

(v) Managing the concentration and profile of debt maturities.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group.

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

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

Financial liabilities cash flows

The tables below summarise the maturity profile of the Group's and company's financial liabilities at 31 December based on contractual undiscounted payments.

	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 December 2009:						
Loans	46,828	92,008	426,996	1,918,624	984,616	3,469,072
Trade and other payables	203,877	6,951	37,891	-	-	248,719
Total financial liabilities (contractual maturity dates)	250,705	98,959	464,887	1,918,624	984,616	3,717,791

	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 December 2008:						
Loans	53,085	112,615	426,232	2,369,064	936,821	3,897,817
Trade and other payables	304,343	3,178	5,033	-	-	312,554
Total financial liabilities (contractual maturity dates)	357,428	115,793	431,265	2,369,064	936,821	4,210,371

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Financial liabilities cash flows (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 December 2009:						
Loans	50,303	98,760	456,659	2,044,019	983,165	3,632,906
Trade and other payables	197,574	-	-	-	-	197,574
Group companies	51,149	-	-	-	-	51,149
Total financial liabilities (contractual maturity dates)	299,026	98,760	456,659	2,044,019	983,165	3,881,629

	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 December 2008:						
Loans	58,125	124,549	469,743	2,508,460	935,152	4,096,029
Trade and other payables	269,036	-	-	-	-	269,036
Group companies	56,582	-	-	-	-	56,582
Total financial liabilities (contractual maturity dates)	383,743	124,549	469,743	2,508,460	935,152	4,421,647

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

Kingston Wharves Limited

3. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risk, 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.

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

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is primarily exposed to such risks arising from its foreign currency transactions in relation to borrowings and payables. This is partially offset by its US dollar revenue transactions and its holdings in US dollar cash and other accounts.

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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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

Concentrations of currency risk

The table below summarises the Group and company exposure to foreign currency exchange rate risk at 31 December.

	The Group		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 December 2009:			
Financial Assets			
Short term investments	563,650	493,702	1,057,352
Trade and other receivables	159,917	325,863	485,780
Cash and bank	51,474	11,307	62,781
Total financial assets	775,041	830,872	1,605,913
Financial Liabilities			
Loans	354,320	2,652,957	3,007,277
Trade and other payables	245,664	3,055	248,719
Total financial liabilities	599,984	2,656,012	3,255,996
Net financial position	175,057	(1,825,140)	(1,650,083)

	The Group		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 December 2008:			
Financial Assets			
Short term investments	721,540	406,215	1,127,755
Trade and other receivables	136,371	252,444	388,815
Cash and bank	18,065	36,275	54,340
Total financial assets	875,976	694,934	1,570,910
Financial Liabilities			
Loans	373,542	2,736,712	3,110,254
Trade and other payables	282,388	30,166	312,554
Total financial liabilities	655,930	2,766,878	3,422,808
Net financial position	220,046	(2,071,944)	(1,851,898)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

Concentrations of currency risk (continued)

	The Company		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 December 2009:			
Financial Assets			
Short term investments	60,212	457,117	517,329
Trade and other receivables	15,702	319,432	335,134
Group companies	1,464	-	1,464
Cash and bank	28,128	10,186	38,314
Total financial assets	105,506	786,735	892,241
Financial Liabilities			
Loans	477,435	2,652,957	3,130,392
Trade and other payables	194,519	3,055	197,574
Other	51,149	-	51,149
Total financial liabilities	723,103	2,656,012	3,379,115
Net financial position	(617,597)	(1,869,277)	(2,486,874)

	The Company		
	Jamaican$	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**
At 31 December 2008:			
Financial Assets			
Short term investments	330,824	381,154	711,978
Trade and other receivables	25,173	252,444	277,617
Group companies	11,255	-	11,255
Cash and bank	1,271	32,014	33,285
Total financial assets	368,523	665,612	1,034,135
Financial Liabilities			
Loans	521,857	2,736,712	3,258,569
Trade and other payables	242,246	26,790	269,036
Group companies	56,582		56,582
Total financial liabilities	820,685	2,763,502	3,584,187
Net financial position	(452,162)	(2,097,890)	(2,550,052)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currency 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 1% (2008 - 4%) appreciation and a 5% (2008 - 10%) depreciation 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 trade receivables, short term investments and US dollar-denominated borrowings. Profit is more sensitive to movements in Jamaican dollar/US dollar exchange rates because of the US-dollar denominated borrowings. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be on an individual basis.

	The Group			
	Change in Currency Rate	Effect on Net Profit	Change in Currency Rate	Effect on Net Profit
	2009	2009	2008	2008
	%	$'000	%	$'000
Currency:				
USD	+1	12,223	+5	69,064
USD	-5	(61,115)	-15	(207,194))

	The Company			
	% Change in Currency Rate	Effect on Net Profit	% Change in Currency Rate	Effect on Net Profit
	2009	2009	2008	2008
	$'000	$'000	$'000	$'000
Currency:				
USD	+1	12,530	+5	69,929
USD	-5	(62,649)	-15	(209,788)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk

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

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

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

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

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	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 December 2009:							
Assets							
Short term investments	382,429	267,023	407,900	-	-	-	1,057,352
Trade and other receivables	-	-	-	-	-	485,780	485,780
Cash and bank	34,353	-	-	-	-	28,428	62,781
Total financial assets	416,782	267,023	407,900	-	-	514,208	1,605,913
Liabilities							
Loans	35,939	71,879	338,393	1,633,173	927,893	-	3,007,277
Trade and other payables	-	-	-	-	-	248,719	248,719
Total financial liabilities	35,939	71,879	338,393	1,633,173	927,893	248,719	3,255,996
Total interest repricing gap	380,843	195,144	69,507	(1,633,173)	(927,893)	265,489	(1,650,083)

	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 December 2008:							
Assets							
Short term investments	528,717	183,472	415,566	-	-	-	1,127,755
Trade and other receivables	-	-	-	-	-	388,815	388,815
Cash and bank	53,893	-	-	-	-	447	54,340
Total financial assets	582,610	183,472	415,566	-	-	389,262	1,570,910
Liabilities							
Loans	37,122	64,726	298,528	1,895,251	814,627	-	3,110,254
Trade and other payables	-	-	-	-	-	312,554	312,554
Total financial liabilities	37,122	64,726	298,528	1,895,251	814,627	312,554	3,422,808
Total interest repricing gap	545,488	118,746	117,038	(1,895,251)	(814,627)	76,708	(1,851,898)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)
(ii) 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 December 2009:							
Assets							
Short term investments	331,345	185,984	-	-	-	-	517,329
Trade and other receivables	-	-	-	-	-	335,134	335,134
Group companies	-					1,464	1,464
Cash and bank	33,929	-	-	-	-	4,385	38,314
Total financial assets	365,274	185,984	-	-	-	340,983	892,241
Liabilities							
Loans	38,039	76,079	357,293	1,732,541	926,440	-	3,130,392
Trade and other payables	-	-	-	-	-	197,574	197,574
Group companies	-	-	-	-	-	51,149	51,149
Total financial liabilities	38,039	76,079	357,293	1,732,541	926,440	248,723	3,379,115
Total interest repricing gap	327,235	109,905	(357,293)	(1,732,541)	(926,440)	92,260	(2,486,874)

	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 December 2008:							
Assets							
Short term investments	409,168	103,115	199,695	-	-	-	711,978
Trade and other receivables	-	-	-	-	-	277,617	277,617
Group companies	-	-	-	-	-	11,255	11,255
Cash and bank	32,838	-	-	-	-	447	33,285
Total financial assets	442,006	103,115	199,695	-	-	289,319	1,034,135
Liabilities							
Loans	40,310	71,101	327,215	2,006,768	813,175	-	3,258,569
Trade and other payables	-	-	-	-	-	269,036	269,036
Group companies	-	-	-	-	-	56,582	56,582
Total financial liabilities	40,310	71,101	327,215	2,006,768	813,175	325,618	3,584,187
Total interest repricing gap	401,696	32,014	(127,520)	(2,006,768)	(813,175)	(36,299)	(2,550,052)

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's and company's statement of comprehensive income and stockholders' equity.

The Group's interest rate risk arises mainly from long term foreign currency borrowings. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on floating rate borrowings. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	The Group and The Company	
	Effect on Net Profit 2009 $'000	**Effect on Net Profit 2008 $'000**
Change in basis points:		
+200 (2008 - +300)	(38,050)	(54,864)
-200 (2008 - -200)	38,050	36,576

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3. Financial Risk Management (Continued)

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total stockholders' equity and minority interests. The Board of Directors also monitors the level of dividends to ordinary stockholders.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total stockholders' equity. Debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less bank overdraft. Total equity is calculated as capital and reserves attributable to company's equity holders as shown in the consolidated balance sheet.

During 2009, the Group's strategy, which was unchanged from 2008, was to maintain the gearing ratio no higher than 75%. The gearing ratios at 31 December 2009 and 2008 were as follows:

	2009	**2008**
	$'000	**$'000**
Total long term borrowings (Note 25)	3,007,277	3,110,254
Total stockholders' equity	7,434,417	7,289,040
Gearing ratio (%)	40	43

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

The company and its subsidiaries complied with all externally imposed capital requirements to which they were subjected.

4. Critical Accounting Estimates and Assumptions 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.

Key sources of estimation uncertainty
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.

Depreciable assets
Estimates of the useful life and residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Group applies a variety of methods including the use of certified independent valuators in an effort to arrive at these estimates.

If the estimates of residual value at 31 December 2009 were 10% higher than management's estimates, the depreciation charge would decrease by $18,961,000 (2008 - $16,252,000).

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

Pension and post-employment benefits
The cost of these benefits and the present value of the pension and the other post-employment liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost (income) for pension and post-employment benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and other post-employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and other post-employment benefit obligations. In determining the appropriate discount rate, the Group considered interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. The expected rate of increase of medical costs has been determined by comparing the historical relationship of actual medical cost increases with the rate of inflation in the economy. Past experience has shown that the actual medical costs have increased on average by one time the rate of inflation. Other key assumptions for the pension and other post-employment benefit costs and credits are based in part on current market conditions.

If the actual health care trend rates for the post employment obligations varied from estimates applied in valuation of the benefits, the consolidated net profit would be an estimated $4,628,000 lower or $5,987,000 higher (Note 18). Variations in the other financial assumptions can cause material adjustments in the next financial year, if it is determined that actual experience differed from the estimate (Note 18).

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5. Segment Financial Information

The Group is organised into the following business segments:

(a) Terminal operations - This incorporates the operation of public wharves

(b) Cold storage operations - This incorporates the provision and installation of cold storage facilities

(c) Security operations - This incorporates port security services

(d) Other - Other operations of the Group comprise property rental.

Transactions between the business segments are on normal commercial terms and conditions.

The Group's operations are located at Newport West, Kingston Jamaica.

Year ended 31 December 2009	Terminal Operations $'000	Cold Storage Operations $'000	Security Operations $'000	Other $'000	Eliminations $'000	Group $'000
External operating revenue	1,946,704	266,455	357,166	-	-	2,570,325
Operating revenue from segments	1,512	3,561	35,454	1,940	(42,467)	-
Total revenue	1,948,216	270,016	392,620	1,940	(42,467)	2,570,325
Operating profit	584,853	116,724	44,260	(24,423)	(28,323)	693,091
Interest expense	(206,674)	(37)	-	(1,416)	24,681	(183,446)
	378,179	116,687	44,260	(25,839)	(3,642)	509,645
Foreign exchange loss						(313,610)
Profit before income tax						196,035
Income tax expense						(40,955)
Profit before minority interest						155,080
Minority interest						(9,747)
Net profit attributable to equity holders of the company						145,333
Segment assets	8,352,890	1,061,623	159,684	2,506,492	(259,606)	11,821,083
Unallocated assets						339,552
Total assets						12,160,635
Segment liabilities	3,379,115	21,976	30,615	11,865	(187,575)	3,255,996
Unallocated liabilities						1,427,666
Total liabilities						4,683,662
Other segment items:						
Interest income (Note 8)	49,650	86,640	6,551	17,964	(24,681)	136,124
Capital expenditure (Note 15)	129,507	8,333	4,110	-	-	141,950
Depreciation (Note 15)	187,871	16,618	3,980	45,331	-	253,800

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5. Segment Financial Information (Continued)

	Terminal Operations	Cold Storage Operations	Security Operations	Other	Eliminations	Group
Year ended 31 December 2008	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External operating revenue	2,187,075	276,553	311,294	-	-	2,774,922
Operating revenue from segments	1,512	3,344	48,642	2,939	(56,437)	-
Total revenue	2,188,587	279,897	359,936	2,939	(56,437)	2,774,922
Operating profit	637,178	92,652	26,440	(11,610)	(27,132)	717,528
Interest expense	(194,093)	(63)	-	(999)	27,132	(168,023)
	443,085	92,589	26,440	(12,609)	-	549,505
Foreign exchange loss						(332,020)
Profit before income tax						217,485
Income tax expense						(51,506)
Profit before minority interest						165,979
Minority interest						(5,274)
Net profit attributable to equity holders of the company						160,705
Segment assets	8,566,835	982,048	125,392	2,534,000	(294,015)	11,914,260
Unallocated assets						319,300
Total assets						12,233,560
Segment liabilities	3,584,187	25,152	24,901	10,553	(221,985)	3,422,808
Unallocated liabilities						1,488,859
Total liabilities						4,911,667
Other segment items:						
Interest income (Note 8)	66,429	59,458	4,422	12,245	(26,133)	116,421
Capital expenditure (Note 15)	384,344	542	5,634	-	-	390,520
Depreciation (Note 15)	174,183	12,424	3,704	24,876	-	215,187

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6. Expenses by Nature

Total direct, administration and other operating expenses:

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Advertising and public relations	24,339	18,990	22,275	18,990
Auditors' remuneration				
- current year	7,057	5,960	4,600	4,000
- prior year	950	789	750	739
Bad debts	16,385	16,398	15,000	-
Depreciation (Note 15)	253,800	215,187	187,871	174,183
Fuel	41,662	59,576	41,662	59,576
Insurance	154,673	124,855	135,632	111,222
Irrecoverable General Consumption Tax	46,423	42,506	42,488	41,921
Legal and consultation expenses	14,822	16,277	13,406	16,111
Repairs and maintenance	123,274	252,342	96,017	175,611
Security	112,791	116,092	18,644	23,636
Staff costs (Note 7)	815,007	817,551	529,234	666,526
Utilities	163,941	202,008	89,429	115,647
Working ships' equipment	65,121	84,523	65,121	84,523
Terminal transfers	75,831	47,423	75,831	47,423
Information technology	45,892	38,311	41,402	38,146
Other	101,793	169,877	101,168	114,918
	2,063,761	2,228,665	1,480,530	1,693,172

7. Staff Costs

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	588,157	570,524	354,188	473,028
Payroll taxes – employer's contributions	57,726	58,190	33,798	44,845
Pension costs – defined benefit plan (Note 18)	3,835	20,269	3,835	20,269
Other post-employment benefits (Note 18)	38,830	12,478	38,830	12,478
Other	126,459	156,090	98,583	115,906
	815,007	817,551	529,234	666,526

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8. Other Operating Income

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Interest income	136,124	116,421	49,650	66,429
Management fees	-	-	21,336	21,336
Foreign exchange gains	50,403	54,850	46,181	53,998
	186,527	171,271	117,167	141,763

9. Finance Costs

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense -				
Loans	183,446	168,023	206,674	194,093
Foreign exchange losses	313,610	332,020	313,610	332,020
	497,056	500,043	520,284	526,113

10. Income Tax Expense

Comprising income tax at 33⅓%:

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Current tax on profit for the year	147,132	102,865	95,460	60,827
Prior year (over)/under provision	(3,459)	542	-	-
Deferred income tax (Note 26)	(102,718)	(51,901)	(94,711)	(44,970)
	40,955	51,506	749	15,857

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10. Income Tax Expense (Continued)

The tax on profit differs from the theoretical amount that would arise using the basic statutory rate of 33⅓% as follows:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit before tax	196,035	217,485	64,569	111,065
Tax calculated at a tax rate of 33⅓%	65,345	72,495	21,523	37,022
Adjusted for the effects of:				
Expenses not deductible for tax purposes	1,039	812	911	793
Special tax allowances	(16,448)	(28,291)	(16,448)	(28,291)
Prior year (over)/under provision	(3,459)	542	-	-
Over provision of deferred income tax assets	(4,912)	-	(4,912)	-
Other	(610)	5,948	(325)	6,333
Income tax expense	40,955	51,506	749	15,857

Based on the results for the year adjusted for taxation, a subsidiary has no charge for taxation. Subject to the agreement of the Commissioner of Taxpayer Audit and Assessment, losses of approximately $2,554,000 (2008 - $6,060,000) are available for set off against future taxable profits of the subsidiary. These losses can be carried forward indefinitely.

11. Profit Attributable to Equity Holders of the Company

	2009 $'000	2008 $'000
(a) Net profit is dealt with as follows in the financial statements of:		
Holding company	63,820	95,208
Subsidiaries	81,513	65,497
	145,333	160,705
(b) Retained earnings are dealt with as follows in the financial statements of:		
Holding company	1,130,665	1,085,140
Subsidiaries	400,593	319,377
	1,531,258	1,404,517

12. Minority Interest

The minority interest is comprised as follows:

	2009 $'000	2008 $'000
At beginning of year	32,853	27,579
Share of net profit of subsidiary	9,747	5,274
	42,600	32,853

13. Earnings Per Stock Unit

Basic earnings per stock unit is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary stock units in issue during the year.

	2009	2008
Net profit attributable to equity holders of the company ($'000)	145,333	160,705
Weighted average number of ordinary stock units in issue (thousands)	1,072,650	1,072,650
Basic earnings per stock unit	$0.14	$0.15

14. Dividends

The company did not elect to pay dividends during the year. In 2008, the directors declared dividends totalling $53,632,000, representing 5 cents per stock unit.

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15. Property, Plant and Equipment

The Group

	Freehold Land	Plant and Buildings	Machinery and Equipment	Cold Room and Air Conditioning Equipment	Furniture and Fixtures	Motor Vehicles	Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				2009				
Cost or Valuation -								
At 31 December 2008	2,693,657	7,341,018	1,060,944	262,451	271,706	81,643	89,102	11,800,521
Additions	-	114,973	5,229	-	2,077	1,363	18,308	141,950
Transfers	-	17,910	14,309	-	-	-	(32,219)	-
Disposals	-	-	-	-	(100)	-	-	(100)
At 31 December 2009	2,693,657	7,473,901	1,080,482	262,451	273,683	83,006	75,191	11,942,371
Depreciation -								
At 31 December 2008	-	848,376	285,114	192,967	169,080	36,679	-	1,532,216
Charge for the year	-	168,305	51,839	9,102	16,260	8,294	-	253,800
Relieved on disposals	-	-	-	-	(46)	-	-	(46)
At 31 December 2009	-	1,016,681	336,953	202,069	185,294	44,973	-	1,785,970
Net Book Value -								
At 31 December 2009	2,693,657	6,457,220	743,529	60,382	88,389	38,033	75,191	10,156,401
				2008				
Cost or Valuation -								
At 31 December 2007	1,559,711	2,894,840	972,681	262,451	265,323	81,753	2,244,491	8,281,250
Additions	-	-	6,980	-	6,176	210	377,154	390,520
Transfers	(23,160)	2,470,624	84,132	-	947	-	(2,532,543)	-
Disposals	-	(22)	(2,849)	-	(740)	(320)	-	(3,931)
Revaluation	1,157,106	1,975,576	-	-	-	-	-	3,132,682
At 31 December 2008	2,693,657	7,341,018	1,060,944	262,451	271,706	81,643	89,102	11,800,521
Depreciation -								
At 31 December 2007	-	445,015	237,971	183,927	151,656	27,283	-	1,045,852
Charge for the year	-	129,867	48,679	9,040	18,093	9,508	-	215,187
Relieved on disposals	-	(22)	(1,536)	-	(669)	(112)	-	(2,339)
On revaluation	-	273,516	-	-	-	-	-	273,516
At 31 December 2008	-	848,376	285,114	192,967	169,080	36,679	-	1,532,216
Net Book Value -								
At 31 December 2008	2,693,657	6,492,642	775,830	69,484	102,626	44,964	89,102	10,268,305

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15. Property, Plant and Equipment (Continued)

	The Company							
	Freehold Land	Plant and Buildings	Machinery and Equipment	Cold Room and Air Conditioning Equipment	Furniture and Fixtures	Motor Vehicles	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				2009				
Cost or Valuation -								
At 31 December 2008	1,742,657	5,015,099	1,044,814	18,682	262,165	71,395	89,102	8,243,914
Additions	-	114,633	361	-	1,546	-	12,967	129,507
Transfers	-	17,910	14,309	-	-	-	(32,219)	-
At 31 December 2009	1,742,657	5,147,642	1,059,484	18,682	263,711	71,395	69,850	8,373,421
Depreciation -								
At 31 December 2008	-	381,262	276,172	3,802	163,303	31,200	-	855,739
Charge for the year	-	115,454	49,376	1,302	15,497	6,242	-	187,871
At 31 December 2009	-	496,716	325,548	5,104	178,800	37,442	-	1,043,610
Net Book Value -								
At 31 December 2009	1,742,657	4,650,926	733,936	13,578	84,911	33,953	69,850	7,329,811
				2008				
Cost or Valuation -								
At 31 December 2007	1,061,711	1,695,139	959,049	18,682	255,871	71,505	2,244,491	6,306,448
Additions	-	-	1,633	-	5,347	210	377,154	384,344
Transfers	(23,160)	2,470,624	84,132	-	947	-	(2,532,543)	-
Disposals	-	-	-	-	-	(320)	-	(320)
Revaluation	704,106	849,336	-	-	-	-	-	1,553,442
At 31 December 2008	1,742,657	5,015,099	1,044,814	18,682	262,165	71,395	89,102	8,243,914
Depreciation -								
At 31 December 2007	-	215,129	229,455	2,562	146,210	23,584	-	616,940
Charge for the year	-	101,405	46,717	1,240	17,093	7,728	-	174,183
Relieved on disposals	-	-	-	-	-	(112)	-	(112)
On revaluation	-	64,728	-	-	-	-	-	64,728
At 31 December 2008	-	381,262	276,172	3,802	163,303	31,200	-	855,739
Net Book Value -								
At 31 December 2008	1,742,657	4,633,837	768,642	14,880	98,862	40,195	89,102	7,388,175

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15. Property, Plant and Equipment (Continued)

(a) Freehold land of the Group was revalued as at 31 December 2008 on the basis of open market value by D.C. Tavares and Finson Reality Limited, independent qualified valuators. The freehold plant and buildings of the Group were also revalued as at 31 December 2008 on the depreciated replacement cost basis which approximates fair value, by Stoppi, Cairney and Bloomfield, quantity surveyors and construction cost consultants. The carrying value of these assets has been adjusted upwards and the increase in value net of deferred income taxes has been recognised in capital reserves (Note 23).

(b) The Group has revised the useful lives of the plant and buildings category based on the advice of external valuators. Had the change not occurred, the charge to the statement of comprehensive income would be higher by $19.9 million.

(c) A fixed charge totalling US$26.6 million has been placed over the property, plant and equipment of the company as well as a mortgage totalling $300 million over premises located at Ashenheim Road and certain equipment in keeping with the terms of certain loan agreements (Note 25).

(d) During 2008, additions to property, plant and equipment include $35,499,000, representing borrowing costs capitalised.

(e) If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2009 $'000	2008 $'000
Cost	709,100	709,100
Accumulated depreciation	(51,957)	(34,229)
Net book value	657,143	674,871

16. Investments in Subsidiaries

Investments in subsidiaries comprise:

	2009 $'000	2008 $'000
Harbour Cold Stores Limited	13,335	13,335
Security Administrators Limited	6	6
Western Storage Limited	16,301	16,301
Western Terminals Limited	46,039	46,039
Kingston Terminal Operators Limited	50	50
	75,731	75,731

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17. Recoverable from Special Reserve Fund

The Port Authority of Jamaica requires the company to allocate 16% of wharfage collected to a special reserve. This reserve, that was created in 1976 can only be utilised for retroactive labour costs and special expenditure in accordance with directives from The Port Authority of Jamaica and must be represented by cash, deposits or easily realisable securities. The interest earned on the investments representing the reserve may be used by the company in the furtherance of its business.

The recoverable from the special reserve fund represents the amount spent in excess of the balance of the reserve and is recoverable from future collection of wharfage allocated to the reserve. A total of $13,687,000 (2008 - $23,028,000) was allocated to the reserve during the year.

	2009 $'000	2008 $'000
Balance at 1 January	68,794	47,402
Severance payments	-	43,970
Donations and security related costs	-	450
16% of wharfage collections for year	(13,687)	(23,028)
Balance at 31 December	55,107	68,794
This comprises:		
Special deferred expenditure	11,137	16,657
Donations and security related costs	-	8,167
Severance payments	43,970	43,970
	55,107	68,794

Special deferred expenditure represents amounts recoverable from The Port Authority of Jamaica in relation to contributions in favour of a director.

The balance at 31 December represents the excess of amounts that are to be recovered from future wharfage collections. The current portion of this amount is not determined because wharfage revenues for 2010 are not known.

18. Retirement Benefit Asset and Obligations

	2009 $'000	2008 $'000
Balance sheet (asset)/obligations for:		
Pension benefits	(329,699)	(312,355)
Other post-employment benefits	119,041	86,289
Statement of comprehensive income for (Note 7):		
Pension benefits	3,835	20,269
Other post-employment benefits	38,830	12,478
	42,665	32,747

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18. Retirement Benefit Asset and Obligations (Continued)

(a) Pension benefits

The Group participates in a joint contributory defined benefit pension scheme which is fully funded. The scheme is open to all permanent employees of the Group and is administered by trustees. Under the scheme, retirement benefits are based on average salary during the five years preceding retirement. The scheme is funded by employee contributions at 5% and employer contribution of 10% of salary, as recommended by independent actuaries.

The assets of the scheme are held independently of the Group's assets in a separate trustee-administered fund. The scheme is valued by independent actuaries annually using the projected unit credit method. The latest actuarial valuation was carried out as at 31 December 2009. Additionally, the plan is valued by independent actuaries triennially to determine the adequacy of funding. The latest such valuation being as at 31 December 2005 revealed that the scheme was adequately funded as at that date. The valuation as at 31 December 2008 has not been finalised.

The defined benefit asset amounts recognised in the balance sheet are determined as follows:

	2009 $'000	2008 $'000
Fair value of plan assets	(1,208,551)	(1,042,669)
Present value of funded obligations	469,202	488,503
	(739,349)	(554,166)
Unrecognised actuarial gains	248,786	150,770
Unrecognised amount due to limitation	160,864	91,041
Asset in the balance sheet	(329,699)	(312,355)

The movement in the defined benefit asset recognised in the balance sheet is as follows:

	2009 $'000	2008 $'000
At beginning of year	(312,355)	(303,068)
Amounts recognised in the statement of comprehensive income (Note 7)	3,835	20,269
Contributions paid	(21,179)	(29,556)
At end of year	(329,699)	(312,355)

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

	2009 $'000	2008 $'000
Current service cost	14,461	19,062
Interest cost	78,043	65,875
Expected return on plan assets	(154,915)	(119,815)
Net actuarial gain recognised in year	(3,577)	(14,669)
Change in disallowed assets	69,823	91,041
Gains on curtailment/settlement	-	(21,225)
Included in staff costs (Note 7)	3,835	20,269

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18. Retirement Benefit Asset and Obligations (Continued)

(a) Pension benefits (Continued)

Of the total charge $9,992,000 (2008 - $13,433,000) and a credit of $6,157,000 (2008 – debit of $6,836,000) were included in the cost of sales and administration expenses, respectively.

The actual return on plan assets was $185,687,000 (2008 – $39,264,000).

Expected contributions to post-employment benefit plans for the year ending 31 December 2010 are $30,000,000.

The movement in the fair value of plan assets for the year is as follows:

	2009 $'000	2008 $'000
At beginning of year	(1,042,669)	(993,506)
Expected return on plan assets	(154,915)	(119,815)
Actuarial (gains)/loss	(30,772)	80,551
Contributions - total	(38,621)	(53,253)
Benefits paid	58,426	43,354
At end of year	(1,208,551)	(1,042,669)

The movement in the present value of the funded obligations is as follows:

	2009 $'000	2008 $'000
At beginning of year	488,503	493,807
Interest cost	78,043	65,875
Current service cost	25,051	33,525
Voluntary contributions	6,852	9,233
Benefits paid	(58,426)	(43,354)
Gain on curtailment/settlement	-	(21,225)
Actuarial gains on obligations	(70,821)	(49,358)
At end of year	469,202	488,503

The principal actuarial assumptions used were as follows:

	2009	2008
Discount rate	16%	16.0%
Expected return on plan assets	15%	15.0%
Future salary increases	12%	11.5%
Future pension increases	5%	5.0%

18. Retirement Benefit Asset and Obligations (Continued)

(a) Pension benefits (Continued)

Plan assets are comprised as follows:

	2009		2008	
	$'000	%	$'000	%
Quoted equities	150,091	12.4	125,663	12.0
Real estate	72,216	6.0	49,649	4.8
Government of Jamaica securities	753,068	62.3	433,974	41.6
Repurchase agreements	58,377	4.8	300,265	28.8
Leases	31,429	2.6	29,743	2.9
Other	143,370	11.9	103,375	9.9
	1,208,551	100.0	1,042,669	100.0

The pension plan assets include the company's ordinary stock units with a fair value of $30,000,000 (2008 – $48,000,000).

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
As at 31 December					
Fair value of plan assets	(1,208,551)	(1,042,669)	(993,506)	(852,877)	(676,227)
Present value of defined benefit obligations	469,202	488,503	493,807	472,473	357,042
Surplus	(739,349)	(554,166)	(499,699)	(380,404)	(319,185)
Experience adjustments on plan assets	30,772	(80,551)	28,212	74,875	(42,884)
Experience adjustments on plan liabilities	(75,402)	8,764	(8,285)	47,877	(38,919)

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18. Retirement Benefit Asset and Obligations (Continued)

(a) Pension benefits (Continued)

The average expected remaining working life of the employees is 13 years (2008 – 13 years).

The in-service rates (number of occurrences per 1000 members) are as follows:

	Withdrawals from service		Ill-health retirements	
Age	**Males**	**Females**	**Males**	**Females**
25	50	147	0.0	0.0
30	35	99	0.2	0.2
35	20	45	0.3	0.4
40	10	17	0.5	0.8
45	0	7	1.2	1.8
50	0	0	2.8	3.6
55	0	0	5.8	10.0

Mortality rate
Assumptions regarding future mortality experience are set based on advice, published statistics and experience. Post employment mortality for active members and mortality for pensioners are based on the PA(90) Tables for Pensioners (British mortality tables) with ages reduced by 6 years.

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18. Retirement Benefit Asset and Obligations (Continued)

(b) Other post-employment benefits

The Group operates an insured health plan and an insured group life plan. The members and liabilities of a self insured health plan operated by the company were transferred to the insured group health plan effective 1 January 2006. The method of accounting and the frequency of valuations for these plans are similar to those used for the pension scheme.

In addition to the assumptions used for the pension scheme, the main actuarial assumption is a long term increase in health costs of 15% per year (2008 - 15%) for the insured group health plan. The insured group life plan assumes a salary rate increase of 12% per year (2008 – 11.5%).

The amounts recognised in the balance sheet were determined as follows:

	2009 $'000	2008 $'000
Present value of unfunded obligations	140,464	159,279
Unrecognised actuarial losses	(21,423)	(72,990)
Liability in the balance sheet	119,041	86,289

The movement in the defined benefit obligations during the year is as follows:

	2009 $'000	2008 $'000
At beginning of year	86,289	81,909
Amounts recognised in the statement of comprehensive income (Note 7)	38,830	12,478
Contributions paid	(6,078)	(8,098)
	119,041	86,289

The movement in the present value of the unfunded obligations is as follows:

	2009 $'000	2008 $'000
Present value at start of year	159,279	106,562
Interest cost	26,301	15,891
Current service cost	8,140	7,198
Benefits paid	(6,078)	(8,098)
Gain on curtailment/settlement	-	(14,292)
Actuarial (gains)/losses on obligations	(47,178)	52,018
Present value at end of year	140,464	159,279

18. Retirement Benefit Asset and Obligations (Continued)

(b) Other post-employment benefits (Continued)

The amount recognised in the statement of comprehensive income is as follows:

	2009 $'000	2008 $'000
Current service cost	8,140	7,198
Interest cost	26,301	15,891
Gain on curtailment	-	(14,292)
Net actuarial losses recognised	4,389	3,681
Included in staff costs (Note 7)	38,830	12,478

The total charge of $38,830,000 (2008 - $12,478,000) was included in administration expenses.

The effects of a 1% movement in the assumed medical cost trend were as follows:

	Increase $'000	Decrease $'000
Effect on the aggregate of the current service cost and interest cost	5,987	4,628
Effect on the defined benefit obligation	21,889	17,112

The five-year trend for the defined benefit obligation and the experience adjustments are as follows:

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
As at 31 December					
Present value of unfunded obligations	140,464	159,279	106,562	97,363	77,574
Experience adjustments	47,420	(39,460)	4,537	14,977	17,107

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19. Related Party Transactions

(a) During the year the Group had normal business transactions with related parties with which there are common directors, as follows:

(i) Revenue earned from sales of services

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Subsidiaries	-	-	22,848	22,848
Companies controlled by directors/members or related by virtue of common directorships	1,415,042	1,449,357	1,098,737	1,136,907
	1,415,042	1,449,357	1,121,585	1,159,755

Services provided to related parties are negotiated on a cost-plus basis. Services are sold on basis of the price lists in force with non-related parties.

(ii) Interest income earned

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Companies related by virtue of common directorships	20,560	18,933	4,833	6,125

(iii) Purchases of goods and services

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Subsidiaries	-	-	34,373	48,642
Companies controlled by directors/members or related by virtue of common directorships	131,517	126,369	131,517	133,498
	131,517	126,369	165,890	182,140

Services are bought from related parties on the basis of the prices prevailing in the market.

(iv) Interest paid

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Subsidiaries	-	-	23,265	26,133

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19. Related Party Transactions and Balances (Continued)

(b) Year-end balances with related parties arising from sales/purchases of services:

(i) Due from related companies

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Subsidiaries	-	-	1,464	11,255
Companies controlled by directors/members or related by virtue of common directorships (Note 20)	361,290	243,810	295,299	231,774
	381,740	243,810	296,763	243,029

(ii) Payable to related companies:

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Subsidiaries	-	-	51,149	56,582
Companies controlled by directors/members and related by virtue of common directorships (Note 27)	58,690	62,441	58,690	62,441
	58,690	62,441	109,839	119,023

Included in the amount due to subsidiaries is $32,900,000 (2008 - $32,900,000), representing funds being held on deposit for a subsidiary (Note 21).

(iii) Short term investments

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Companies related by virtue of common directorships	201,681	177,994	60,366	102,824

These investments currently attract interest at rates between 5% and 7% per annum (2008 – 6% and 11.3%) and have an average maturity of thirty days (Note 21).

(iv) Bank balances

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Companies related by virtue of common directorships	39,342	45,477	15,299	25,981

The bank balances with related parties comprise foreign currency savings accounts which currently attract interest of 1.7% (2008 – 1.7%) (Note 21).

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19. Related Party Transactions and Balances (Continued)

(c) Key management compensation:

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and other short term employee benefits	43,962	64,699	28,820	47,759
Payroll taxes – employer's contributions	3,957	5,927	2,594	4,402
Pension benefits	4,230	5,171	2,882	4,140
Other	4,582	5,927	3,532	4,258
	56,731	81,724	37,828	60,559
Directors' emoluments –				
Fees	6,298	6,765	6,250	6,717
Management remuneration (included in salaries above)	15,835	21,207	15,835	21,207

20. Trade and Other Receivables

	The Group		The Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	402,824	291,436	305,487	253,911
Other receivables	82,956	97,379	29,647	23,706
	485,780	388,815	335,134	277,617

Trade and other receivables are shown net of provision for impairment of $16,903,000 (2008 - $16,767,000) for the Group and $15,548,000 (2008 - $548,000) for the company.

Trade receivables include amounts receivable from related parties totalling $361,290,000 (2008 - $243,810,000) for the Group and $295,299,000 (2008 - $231,774,000) for the company (Note 19).

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21. Cash and Cash Equivalents

		The Group		The Company	
	Note	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Short term investments		1,057,352	1,127,755	517,329	711,978
Less: Investments held for subsidiary	19	-	-	(32,900)	(32,900)
Short term deposits included in cash and cash equivalents		1,057,352	1,127,755	484,429	679,078
Cash and bank		62,781	54,340	38,314	33,285
		1,120,133	1,182,095	522,743	712,363

The weighted average effective interest rate on short term investments was 5.4% per annum (2008 – 6.0%) for United States dollar denominated deposits and 11.7% (2008 – 17.0%) for Jamaican dollar deposits. These short term investments have an average maturity of 90 days.

Included in cash and bank are foreign currency saving accounts which currently attract interest of 1.7% (2008 – 1.7%).

Short term investments include amounts placed with related parties of $201,681,000 (2008 - $177,994,000) and $60,366,000 (2008 - $102,824,000) for the Group and company respectively (Note 19).

Cash and bank include amounts placed with related parties of $39,342,000 (2008 - $45,477,000) and $15,299,000 (2008 - $25,981,000) for the Group and company respectively (Note 19).

22. Share Capital

	Number of Stock Units '000	Ordinary Stock Units $'000	Total $'000
At 31 December 2008	1,072,650	291,648	291,648
At 31 December 2009	1,072,650	291,648	291,648

The total authorised number of ordinary shares is 1,150,000,000 units. All issued shares are fully paid.

The no par shares in issue comprise the stated capital of the company.

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23. Capital Reserves

Capital reserves comprise:

	The Group		The Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Realised gain on sale of assets	30,188	30,188	5	5
Capital distributions received	3,612	3,612	3,612	3,612
Capitalisation of profits	130,325	130,325	-	-
Unrealised surplus on revaluation of property, plant and equipment	6,304,281	6,304,281	3,255,608	3,255,608
Capitalisation of Asset Replacement Reserve (Note 24 (a))	231,286	218,707	231,286	218,707
Capitalisation of Depreciation Reserve	66	66	10	10
Arising on consolidation	3,419	3,419	-	-
Deferred taxation	(1,306,311)	(1,306,311)	(624,905)	(624,905)
	5,396,866	5,384,287	2,865,616	2,853,037

24. Asset Replacement/Rehabilitation and Depreciation Reserves

The Port Authority of Jamaica authorised the creation of a special reserve to be provided through the tariff, for the replacement and/or rehabilitation of the wharf facilities. A total of $66,701,000 to be recovered from the tariff over a five-year period, April 1998 to April 2003, was approved to meet the shortfall in the accumulated needs of the Asset Replacement/Rehabilitation Reserve (the Reserve Fund). A further annually recurring sum of $12,579,000 was also approved to meet the annual needs of the Reserve Fund.

The requirement for the Reserve Fund became effective in April 1998 with the introduction of the new tariff rate structure approved by the Port Authority of Jamaica.

The Port Authority of Jamaica also stipulated that the depreciation charge on the historical cost of property, plant and equipment be matched with amounts placed in a Depreciation Reserve.

The Authority requires that both the Asset Replacement/Rehabilitation and the Depreciation Reserves be represented by a Fund consisting of cash, deposits or highly liquid securities (Note 21). The net interest arising on such Funds should be transferred to the Asset Replacement/Rehabilitation and Depreciation Reserves, respectively.

During 2001 the Port Authority of Jamaica approved the capitalisation of $158,967,000 from the Asset Replacement/Rehabilitation (ARR) Reserve for capital expenditure already incurred by the company and $453,000 from the Depreciation Fund in respect of assets retired during the year by the company and its subsidiary, Western Terminals Limited. The ARR Reserve Fund balance of $155,812,000 as at 31 December 2003 was fully utilised by this capitalisation. A final amount of $3,155,000 was capitalised during 2004 fully utilising the 2001 approved amounts.

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24. Asset Replacement/Rehabilitation and Depreciation Reserves (Continued)

During 2004, the Port Authority of Jamaica approved the capitalisation of an additional $274,135,000 from the ARR Reserve Fund for capital expenditure already incurred by the company. At the end of 2004 the balance in the ARR Reserve Fund was fully utilised and an amount of $264,711,000 was available for set off against future amounts. A further approval was given by the Port Authority of Jamaica to offset this amount against the restricted funds under the Depreciation Reserve (Note 24(c)).

During 2006, the Port Authority of Jamaica approved the payment of US$26.6 million from the Asset Replacement Rehabilitation Funds, representing full recovery of the costs associated with the berths 8 and 9 expansion programme.

The balance of the reserves comprises:

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Asset Replacement/Rehabilitation Reserve	-	-	-	-
Depreciation Reserve	214,601	208,588	212,968	207,252
	214,601	208,588	212,968	207,252

The movement in each category of reserves was as follows:

(a) Asset Replacement/Rehabilitation Reserve

	2009 $'000	**2008 $'000**
At beginning of year	-	-
Transfers from statement of comprehensive income during the year	12,579	12,579
Transfer to capital reserves - utilised for capital expansion (Note 23)	(12,579)	(12,579)
At end of year	-	-

(b) Depreciation Reserve

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
At beginning of year	208,588	151,704	207,252	150,591
Transfer from retained earnings (net interest)	6,013	56,884	5,716	56,661
At end of year	214,601	208,588	212,968	207,252

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24. Asset Replacement/Rehabilitation and Depreciation Reserves (Continued)

(b) Depreciation Reserve (Continued)

The total historical depreciation reserve for the purposes of the Port Authority of Jamaica's requirements includes accumulated depreciation reflected under property, plant and equipment (Note 15) for the Group of $1,183,337,000 (2008 - $1,014,066,000) and $1,179,891,000 (2008 - $1,011,194,000) for the company.

(c) Value of Reserve Funds Represented by Cash and Short Term Investments

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Depreciation reserve	214,601	208,588	212,968	207,252
Accumulated historical cost depreciation	1,183,337	1,014,066	1,179,891	1,011,194
Less: Approved disbursements	(387)	(387)	(52)	(52)
	1,397,551	1,222,267	1,392,807	1,218,394
Add: Capitalisation of Asset Replacement/Rehabilitation Reserve	9,424	9,424	9,424	9,424
Less: Advance from Depreciation Fund approved by The Port Authority of Jamaica	(274,135)	(274,135)	(274,135)	(274,135)
Less: Portion of advance from Asset Replacement/Rehabilitation Fund approved by The Port Authority of Jamaica	(1,132,840)	(957,556)	(1,128,096)	(953,683)
	-	-	-	-

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25. Borrowings

Borrowings comprise long term loans as follows:

		The Group		The Company	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
(a)	Port Authority of Jamaica	1,480	1,480	1,480	1,480
(b)	Port Authority of Jamaica	1,453	1,453	-	-
(c)	Harbour Cold Stores Limited	-	-	124,568	149,768
(d)	Development Bank of Jamaica/First Global Bank Limited	300,000	300,000	300,000	300,000
(e)	Development Bank of Jamaica /FirstCaribbean International Bank (Jamaica) Limited	24,608	39,242	24,608	39,242
(f)	Development Bank of Jamaica/FirstCaribbean International Bank (Jamaica) Limited	26,779	31,367	26,779	31,367
(g)	FirstCaribbean International Bank (Jamaica) Limited	-	12,124	-	12,124
(h)	FirstCaribbean International Bank (Jamaica) Limited	461,419	505,153	461,419	505,153
(i)	FirstCaribbean International Bank (Jamaica) Limited	77,407	96,877	77,407	96,877
(j)	FirstCaribbean International Bank (Jamaica) Limited	109,051	144,534	109,051	144,534
(k)	FirstCaribbean International Bank (Jamaica) Limited	2,005,080	1,978,024	2,005,080	1,978,024
		3,007,277	3,110,254	3,130,392	3,258,569
	Less: Current portion	(431,274)	(400,376)	(456,474)	(438,626)
		2,576,003	2,709,878	2,673,918	2,819,943

(a) These loans, which are interest free and unsecured, were obtained to build a security wall and are repayable only if the wharf is sold.

(b) This comprises a loan from the Port Authority of Jamaica, which represents partial cost of construction of a security wall. This interest-free loan is repayable to the Port Authority of Jamaica only in the event of the asset being sold.

(c) This represents a $194 million draw down on a $200 million loan facility. The loan is unsecured and attracts interest at 13%. The principal is repayable over a seven-year period with a one year moratorium on principal repayment. Repayment commenced in 2007.

(d) This represents a loan granted by the Development Bank of Jamaica through First Global Bank Limited for the company's capital expenditure program. The interest rate is fixed at 11.85% per annum for the life of the loan. There is a two year moratorium on principal repayments, thereafter, payments are to be amortised over sixty months at $6,651,000 per month. Repayments are scheduled to begin in August 2010.

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25. Borrowings (Continued)

(e) This represents a loan granted by the Development Bank of Jamaica through FirstCaribbean International Bank (Jamaica) Limited. Interest is set at the Development Bank of Jamaica's lending rate plus 2.5% per annum. The principal is repayable in thirty-one equal monthly consecutive instalments of $1,220,000 plus interest with one final payment of principal of $218,000 plus interest. Last payment is due October 2011.

(f) This represents a loan of $32 million granted by the Development Bank of Jamaica through FirstCaribbean International Bank (Jamaica) Limited. Interest rate is fixed at 11.85% per annum. The principal is repayable in eighty-three monthly instalments of $382,300,000.

(g) This represents a demand loan obtained for the company's capital expenditure program. The loan is unsecured and the interest rate is set at US six-month LIBOR plus 2.75%. The principal is repayable in two equal quarterly payments of US$60,000 plus one final payment of US$32,000. The loan was fully repaid in 2009.

(h) This represents a credit facility through FirstCaribbean International Bank (Jamaica) Limited towards the company's capital expenditure program. Interest is computed based on US six-month LIBOR plus 2.75% per year. The loan will be repaid over forty equal monthly installments of US$95,000 per month, plus one final payment of US$2,483,000. Principal payments plus interest are to commence thirty days after date of final drawdown on the facility. Last payment is due May 2012.

(i) This represents a US$2.4 million loan through FirstCaribbean International Bank (Jamaica) Limited towards the company's capital expenditure program. Interest is computed based on US six-month LIBOR plus 2.75% per year. The loan is to be repaid by way of forty two equal monthly principal payments of US$29,000.The last payment is due June 2012.

(j) This represents a US$3.5 million loan facility through FirstCaribbean International Bank (Jamaica) Limited towards the company's capital expenditure program. Interest is computed based on US six-month LIBOR plus 2.75% per year. The loan is to be repaid by way of forty one equal monthly principal payments of US$49,000 plus interest. Repayments commenced February 2006.

(k) This represents a credit facility of US$26.6 million through FirstCaribbean International Bank (Jamaica) Limited towards the company's capital expenditure program. Interest is computed based on US six-month LIBOR plus 2.75%. The loan principal is payable by fifty nine monthly payments of US$211,000. On December 01, 2013 the principal balance of US$12,666,666.74 will either be paid in full or alternately rolled for a further period under mutual consent.

The loan facility with First Global Bank Limited (d) above is secured by a mortgage over property located at 1 Ashenheim Road and a bill of sale over certain pieces of machinery. Security for the loan facilities with FirstCaribbean Bank (Jamaica) Limited (e)-(k) above, is a registered demand debenture providing fixed and floating charges over the company's fixed and floating assets stamped to cover US$ 26.6 million (Note 15).

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26. Deferred Income Tax

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 33⅓%.

	The Group		The Company	
	2009 **$'000**	**2008** **$'000**	**2009** **$'000**	**2008** **$'000**
Balance sheet (assets)/liabilities for:				
Deferred income tax assets	(1,363)	(1,183)	-	-
Deferred income tax liabilities	1,266,774	1,369,312	646,781	741,492
Net deferred income tax liabilities	1,265,411	1,368,129	646,781	741,492

The movement in the net deferred income tax assets and liabilities during the year is as follows:

	The Group		The Company	
	2009 **$'000**	**2008** **$'000**	**2009** **$'000**	**2008** **$'000**
Net liabilities at beginning of year	1,368,129	852,677	741,492	524,926
Charge to stockholders equity on revaluation of property, plant and equipment (Note 23)	-	567,353	-	261,536
Statement of comprehensive income (Note 10)	(102,718)	(51,901)	(94,711)	(44,970)
Net liabilities at end of year	1,265,411	1,368,129	646,781	741,492

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

	The Group		The Company	
	2009 **$'000**	**2008** **$'000**	**2009** **$'000**	**2008** **$'000**
Deferred income tax assets -				
Vacation leave accrual	5,628	5,644	4,000	4,000
Other payables	661	527	-	-
Employee benefit obligations	39,680	28,763	39,680	28,763
Unrealised foreign exchange losses	198,154	106,606	197,641	106,606
Tax losses	851	2,020	-	-
Interest payable	5,661	3,893	5,661	3,893
Property, plant and equipment	449	-	-	-
	251,084	147,453	246,982	143,262
Deferred income tax liabilities -				
Property, plant and equipment	1,389,248	1,402,317	782,659	778,324
Interest receivable	17,347	9,147	1,204	2,312
Retirement benefit asset	109,900	104,118	109,900	104,118
	1,516,495	1,515,582	893,763	884,754

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26. Deferred Income Tax (Continued)

The deferred tax credit in the statement of comprehensive income comprises the following temporary differences:

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Vacation leave accrual	16	(1,099)	-	(130)
Other payables	(134)	(192)	-	-
Employee benefit obligations	(10,917)	(1,460)	(10,917)	(1,460)
Unrealised foreign exchange losses	(91,548)	(72,753)	(91,035)	(72,753)
Tax losses	1,169	674	-	-
Interest payable	(1,768)	(1,581)	(1,768)	(1,581)
Property, plant and equipment	(13,518)	19,248	4,335	28,021
Interest receivable	8,200	2,166	(1,108)	(163)
Retirement benefit asset	5,782	3,096	5,782	3,096
	(102,718)	(51,901)	(94,711)	(44,970)

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	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Deferred income tax assets to be recovered -				
After more than 12 months	239,134	137,389	237,321	135,369
Deferred income tax liabilities to be extinguished -				
After more than 12 months	1,499,148	1,506,435	892,559	882,442

27. Trade and Other Payables

	The Group		The Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Trade payables	63,331	55,114	49,885	50,628
Other payables and accruals	185,388	257,440	147,689	218,408
	248,719	312,554	197,574	269,036

Trade and other payables include amounts payable to related parties totalling $58,690,000 (2008 - $62,441,000) for the Group and the company (Note 19).

28. Capital Commitments

At 31 December 2009, the outstanding capital commitments for the Group relate to the berths 8 and 9 redevelopment project. The total estimated cost of the project is $2.9 billion (US$32.6 million) and as at 31 December 2009 the outstanding commitment is approximately $26 million (2008 – $134.4 million).

29. Litigation

The company and its subsidiaries are subject to various claims, disputes and legal proceedings, in the normal course of business. Provision is made for such matters when, in the opinion of management and its legal counsel, it is probable that a payment will be made by the Group, and the amount can be reasonably estimated.

In respect of claims asserted against the Group which have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both financial position and results of operations. The Group is not currently involved in any significant litigation other than that noted below.

Legal action was brought against Kingston Wharves Limited by companies involved in stevedoring activities at Port Bustamante. The plaintiffs are seeking a declaration that the company's stated intention to take over all the stevedoring activities on Berths 1-9 is in breach of the Fair Competition Act and is therefore illegal. These are not monetary claims and if the plaintiffs succeed in obtaining a judgement against the company, it is not likely that the outcome will have a negative impact on the company's operations. As at balance sheet date judgement had not been decided.

A claim has been made by a former employee of a subsidiary for damages totalling $10.9 million for wrongful dismissal. The matter has been set for trial however no provision has been made in these financial statements, as the outcome cannot be ascertained at this time.

30. Fair Value of Financial Instruments

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 estimated fair values have been determined using available market information and appropriate valuation methodologies. However, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value.

(a) The fair values of the Group's financial instruments were estimated at the face value, less any estimated credit adjustments. The carrying values of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values due to the short term maturity of these instruments. These financial assets and liabilities are cash and bank balances, trade receivables and payables, related companies balances and bank overdrafts.

(b) The carrying values of long term loans closely approximate amortised cost, which is estimated to be their fair value as they attract terms and conditions available in the market for similar transactions.