Contents

MONTEGO BAY ICE COMPANY LIMITED

ESTABLISHED 1948
REGISTERED OFFICE: 2 CREEK STREET, MONTEGO BAY, JAMAICA

BOARD OF DIRECTORS

CHAIRMAN
Mr. Mark Hart B.Sc.,J.P.

MANAGING DIRECTOR
Ms. T. Chin B.Sc.

DIRECTORS
Mr. H.G. Anderson J.P.
Mr. A. Brennan
Mr. P. Hart B.A.
Mr. R. A. Jones

SECRETARY/DIRECTOR
Mrs. S. Allen

AUDITORS
KPMG
Chartered Accountants

BANKERS
The Bank of Nova Scotia Jamaica Ltd.
National Commercial Bank Jamaica Ltd.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Montego Bay Ice Company Limited ("the Company") will be held at the Registered Office, 2 Creek Street, Montego Bay, Jamaica, on Wednesday, 7th of July 2010 at 4:00 p.m. when the following matters will be considered.

1. To receive the audited financial statements for the year ended 31st December, 2009 and the report of the Directors and Auditors thereon.

2. In accordance with section 62 of the Company's Articles of Association Messrs. Mark Hart and Anthony Jones and Mrs. Theresa Chin will retire by rotation. Messrs. Mark Hart, Anthony Jones and Mrs. Theresa Chin being eligible offer themselves for re-election.

3. To consider and if thought fit, pass a resolution to authorize the delisting of the shares of the company from the Jamaica Stock Exchange.

4. To consider and if thought fit, pass a resolution to authorize the change the Quorum of directors at Board of Director's Meeting and directors and shareholders at the Annual General Meetings.

5. To authorize the directors to agree the remuneration of the auditors, KPMG, Chartered Accountants, who have indicated their willingness to continue in office as auditors.

6. To transact any other Business that may be properly transacted at an Annual General Meeting.

Dated: May 5, 2010
By Order of the Board
S. M. Allen
Secretary

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not also be a member. A form of proxy is included on the last page.

DIRECTORS' REPORT

For the Year ended 31 December 2009

1. The Directors have pleasure in presenting their Annual Report and Audited Financial Statements for the year ended December 31, 2009

   The consolidated earnings for the year from operations are $663,595

2. In accordance with section 62 of the Company's Articles of Association Messrs. H. G. Anderson and P. Blaise Hart and Mrs. Seville Allen will retire by rotation. Messrs. H. G. Anderson, P. Blaise Hart and Mrs. Seville Allen being eligible offer themselves for re-election.

3. To pass a resolution to delist the company from the Jamaica Stock Exchange.

4. To pass a resolution to change the Quorum at Board of Director's Meeting and Annual General Meetings.

5. Messrs. KPMG, Chartered Accountants, the present Auditors, are willing to continue in office pursuant to section 95 of the Company's Articles of Association and section 154(2) of the Companies Act.

6. The Directors wish to express their thanks to the management and staff of the company for the work done during the year.

Financial Highlights (Consolidated)

	2009	2008	Percentage 2009/2008
Assets	$164,887,817	$166,183,557	(0.8%)
Liabilities	$7,241,304	$9,200,639	(21.3%)
Shareholders' Equity	$125,124,883	$127,368,615	(1.8%)
Profit Before Taxation and Minority Interest	$3,392,792	($13,115,525)	125.9%
Profit After Tax Before Minority Interest	$663,595	($15,403,921)	104.3%)
Number of Stocks Units Issued	6,161,510	6,161,510	
Earnings Per Stock Unit	($0.37)	($2.88)	

TOP TEN (10) STOCKHOLDERS

As at 31 December 2009

NAME		
1.	A.M.D. Ltd	3,056,296
2.	Mark Hart	1,778,070
3.	R. Anthony & Daphne Jones	100,000
4.	Peter Blaise Hart	97,100
5.	MVL Stock Brokers	91,644
6.	Creative Kitchens	61,818
7.	Melita Aarons	54,970
8.	Estate James A. Chin	54,580
9.	Dr. Herbert Eldemire	51,510
10.	Desmond and Lucinda Whittingham	49,727

Directors' and Senior Officers' Interests

The interests of the Directors and Senior Officers, holding office at the end of the fourth quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Seville Allen	4,710
H. G. Anderson	1,000
Andrew Brennan	1,000
Theresa Chin	2,500
Mark Hart	4,834,366
Peter Blaise Hart	97,100
R. Anthony Jones	100,000

* Persons deemed to be connected with a director/senior manager are:
  A. The director's/senior manager's husband or wife.
  B. The director's/senior manager's minor children (these include step-children) and dependents, and their spouses.
  C. The director's /senior manager's partners.
  D. Bodies corporate of which the director/senior manager and or persons connected with him together have control.

Acknowledgements

On behalf of the Board of Directors, we would like to thank our stockholders and customers for their support and patronage. We would also like to express our appreciation to all our staff for their dedication to the company as we could not have done it without you.

KPMG
Chartered Accountants
41 Montego Freeport Shopping Centre
Montego Bay
Jamaica, W.I.

P.O. Box 220
Montego Bay
Jamaica, W.I.
Telephone +1 (876) 684-9922
Fax +1 (876) 684-9927
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
MONTEGO BAY ICE COMPANY LIMITED

Report on the Financial Statements

We have audited the financial statements of Montego Bay Ice Company Limited ("company") and the consolidated financial statements of the company and its subsidiaries ("Group"), set out on pages 8 to 38, which comprise the company's and the Group's balance sheets as at December 31, 2009, the company's and the Group's statements of comprehensive income, changes in equity and cash flows for the year then ended, 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 the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal controls relevant to the company'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 company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG

To the Members of
MONTEGO BAY ICE COMPANY LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company and the Group as at December 31, 2009, and of the company's and the Group's financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act, so far as concerns members of the company.

Additional reporting requirements of 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 maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner so required.

KPMG

Chartered Accountants
Montego Bay, Jamaica

March 30, 2010

MONTEGO BAY ICE COMPANY LIMITED

Balance Sheets
December 31, 2009

	Notes	Company 2009	Company 2008	Group 2009	Group 2008
CURRENT ASSETS					
Cash and cash equivalents	3	1,508,164	8,591,040	37,307,148	39,744,395
Resale agreements	4	28,156,630	21,678,652	28,156,630	21,678,652
Accounts receivable	5	2,959,648	4,427,369	2,981,341	4,523,673
Inventories	6	1,813,909	2,233,475	1,813,909	2,233,475
Taxation recoverable		410,216	1,633,641	640,474	1,841,668
Total current assets		34,848,567	38,564,177	70,899,502	70,021,863
CURRENT LIABILITIES					
Bank overdraft (unsecured)		(401,586)	(686,833)	(401,586)	(686,833)
Accounts payable	7	(3,027,261)	(3,356,658)	(4,094,688)	(4,448,114)
Due to subsidiary		(9,575,540)	(9,190,737)	-	-
Taxation payable		-	-	(653,152)	(1,656,727)
Dividends unclaimed		(576,692)	(576,008)	(576,692)	(576,008)
Total current liabilities		(13,581,079)	(13,810,236)	(5,726,118)	(7,367,682)
Net current assets		21,267,488	24,753,941	65,173,384	62,654,181
NON-CURRENT ASSETS					
Interest in subsidiaries	8	40,001	40,001	-	-
Investment properties	9	9,918,812	9,938,487	63,245,135	60,404,252
Property, plant & equipment	10	28,895,153	33,447,408	30,743,180	35,757,442
Total non-current assets		38,853,966	43,425,896	93,988,315	96,161,694
Total assets less current liabilities		$60,121,454	68,179,837	159,161,699	158,815,875
Financed by:					
EQUITY					
Share capital	11(a)	1,242,302	1,242,302	1,242,302	1,242,302
Reserves	11(b)	58,879,152	66,937,535	123,882,581	126,126,313
Total equity attributable to equity holders of the parent		60,121,454	68,179,837	125,124,883	127,368,615
Minority interests		-	-	32,521,630	29,614,303
Total equity		60,121,454	68,179,837	157,646,513	156,982,918
NON-CURRENT LIABILITY					
Deferred tax liability	12	-	-	1,515,186	1,832,957
Total equity and non-current liability		$60,121,454	68,179,837	159,161,699	158,815,875

The financial statements on pages 8 to 3 were approved for issue by the Board of Directors on March 30, 2010 and signed on its behalf by:

____________________ Director
Mark Hart

____________________ Director
Theresa Chin

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

MONTEGO BAY ICE COMPANY LIMITED

Statement of Comprehensive Income
Year ended December 31, 2009

		Company		Group	
Continuing operations	Notes	2009	2008	2009	2008
Gross operating revenue	13	20,317,049	6,818,417	33,781,954	15,906,480
Cost of operating revenue		(17,195,232)	(2,916,829)	(17,195,232)	(2,916,829)
Gross operating profit		3,121,817	3,901,588	16,586,722	12,989,651
Finance income	14(a)	5,206,877	5,781,844	9,867,318	10,486,622
Other income		1,243,723	73,225	1,243,723	73,225
		9,572,417	9,756,657	27,697,763	23,549,498
Administration and other expenses		(17,615,143)	(19,282,200)	(24,289,314)	(23,640,737)
(Loss)/profit from continuing operations before finance cost and taxation		(8,042,726)	(9,525,543)	3,408,449	(91,239)
Finance costs	14(b)	(15,657)	(33,641)	(15,657)	(33,641)
(Loss)/profit from continuing operations before taxation		(8,058,383)	(9,559,184)	3,392,792	(124,880)
Taxation	16	-	177,526	(2,729,197)	(2,288,396)
(Loss)/profit from continuing operations after taxation		(8,058,383)	(9,381,658)	663,595	(2,413,276)
Discontinued operations					
Loss from discontinued operations	18	-	(12,990,645)	-	(12,990,645)
Total comprehensive (loss)/profit for the year		$(8,058,383)	(22,372,303)	663,595	(15,403,921)
Attributable to:					
Equity holders of the company		(8,058,383)	(22,372,303)	(2,243,732)	(17,726,715)
Minority interest		-	-	2,907,327	2,322,794
		$(8,058,383)	(22,372,303)	663,595	(15,403,921)
Total comprehensive (loss)/profit attributable to equity holders dealt with in the financial statements of:					
The company		(8,058,383)	(22,372,303)	(8,058,383)	(22,372,303)
The subsidiaries		-	-	5,814,651	4,645,588
Loss for the year attributable to members		$(8,058,383)	(22,372,303)	(2,243,732)	(17,726,715)
Loss per ordinary stock unit	19	(1.31)¢	(3.63)¢	(0.37)¢	(2.88)¢

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

MONTEGO BAY ICE COMPANY LIMITED

Company Statement of Changes in Equity
Year ended December 31, 2009

		Capital reserves		Revenue reserves	
	Share capital [note 11(a)]	Share premium [note 11(b)]	Realised [note 11(b)]	Retained earnings [note 11(b)]	Total
Balances at December 31, 2007	1,242,302	19,229,822	2,055,852	68,024,164	90,552,140
Total comprehensive losses for the year	-	-	-	(22,372,303)	(22,372,303)
Balances at December 31, 2008	1,242,302	19,229,822	2,055,852	45,651,861	68,179,837
Total comprehensive losses for the year	-	-	-	(8,058,383)	(8,058,383)
Transfer of gain on disposal of property, plant & equipment	-	-	668,162	(668,162)	-
Balances at December 31, 2009	$1,242,302	19,229,822	2,724,014	36,925,316	60,121,454

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

MONTEGO BAY ICE COMPANY LIMITED

Group Statement of Changes in Equity
Year ended December 31, 2009

		Capital reserves		Revenue reserves			
	Share capital [note 11(a)]	Share premium [note 11(b)]	Realised [note 11(b)]	Retained earnings [note 11(b)]	Parent company stockholders' equity	Minority interest	Total equity
Balances at December 31, 2007	1,242,302	19,229,822	2,055,852	122,567,354	145,095,330	27,291,509	172,386,839
Total comprehensive losses for the year	-	-	-	(17,726,715)	(17,726,715)	2,322,794	(15,403,921)
Balances at December 31, 2008	1,242,302	19,229,822	2,055,852	104,840,639	127,368,615	29,614,303	156,982,918
Total comprehensive losses for the year	-	-	-	(2,243,732)	(2,243,732)	2,907,327	663,595
Transfer of gain on disposal of property, plant & equipment	-	-	668,162	(668,162)	-	-	-
Balances at December 31, 2009	$1,242,302	19,229,822	2,724,014	101,928,745	125,124,883	32,521,630	157,646,513

Retained earnings dealt with in the financial statements of:

	2009	2008
The company	36,925,316	45,651,861
The subsidiaries	65,003,429	59,188,778
	$101,928,745	104,840,639

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

MONTEGO BAY ICE COMPANY LIMITED

Company Statement of Cash Flows
Year ended December 31, 2009

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive loss for the year		(8,058,383)	(22,372,303)
Adjustments for:			
Interest income	14(a)	(1,803,608)	(2,408,209)
(Gain)/loss on disposal of property, plant & equipment		(668,162)	231,851
Impairment loss on property, plant & equipment	10	2,874,746	5,460,124
Depreciation	15	1,165,346	1,403,920
Interest expense	14(b)	15,657	33,641
Taxation credit	16(a)	-	(177,526)
Operating loss before changes in working capital		(6,474,404)	(17,828,502)
Decrease in current assets:			
Accounts receivable		1,422,222	3,547,990
Inventories		419,566	239,328
Increase/(decrease) in current liabilities:			
Accounts payable		(329,397)	(2,337,892)
Due to subsidiary – current account		384,803	3,939,948
Dividends unclaimed		684	(996)
Cash used by operations		(4,576,526)	(12,440,124)
Tax refund/(paid)		1,223,425	(272,241)
Interest paid		(15,657)	(33,641)
Net cash used by operating activities		(3,368,758)	(12,746,006)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,849,107	2,880,859
Resale agreements		(6,477,978)	11,269,106
Additions to property, plant & equipment	10	-	(55,700)
Proceeds from disposal of property, plant & equipment		1,200,000	4,790,460
Net cash (used)/provided by investing activities		(3,428,871)	18,884,725
CASH FLOWS FROM FINANCING ACTIVITY			
Bank overdraft		(285,247)	686,833
Net (decrease)/increase in cash and cash equivalents		(7,082,876)	6,825,552
Cash and cash equivalents at beginning of the year		8,591,040	1,765,488
Cash and cash equivalents at end of the year		$1,508,164	8,591,040

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

MONTEGO BAY ICE COMPANY LIMITED

Group Statement of Cash Flows
Year ended December 31, 2009

	Notes	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive loss for the year attributable to members		(2,243,732)	(17,726,715)
Adjustments for:			
Interest income	14(a)	(2,726,922)	(3,232,622)
(Gain)/loss on disposal of property, plant & equipment		(668,162)	231,851
Depreciation	15	2,767,875	2,341,003
Impairment loss on property, plant & equipment	10	2,874,746	5,460,124
Minority interest in profit for the year		2,907,327	2,322,794
Interest expense	14(b)	15,657	33,641
Taxation	16(a)	2,729,197	2,288,396
Operating profit/(loss) before changes in working capital		5,655,986	(8,281,528)
Decrease in current assets:			
Accounts receivable		1,500,239	3,595,575
Inventories		419,566	239,328
Increase/(decrease) in current liabilities:			
Accounts payable		(353,426)	(2,290,740)
Dividends unclaimed		684	(996)
Cash provided/(used) by operations		7,223,049	(6,738,361)
Tax paid		(2,849,349)	(1,752,364)
Interest paid		(15,657)	(33,641)
Net cash provided/(used) by operating activities		4,358,043	(8,524,366)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,769,015	3,712,001
Resale agreements		(6,477,978)	11,269,106
Additions to investment properties	9	(4,001,080)	(2,850,000)
Additions to property, plant & equipment	10	-	(55,700)
Proceeds from disposals of property, plant & equipment		1,200,000	4,790,460
Net cash (used)/provided by investing activities		(6,510,043)	16,865,867
CASH FLOWS FROM FINANCING ACTIVITY			
Bank overdraft		(285,247)	686,833
Net (decrease)/increase in cash and cash equivalents		(2,437,247)	9,028,334
Cash and cash equivalents at beginning of the year		39,744,395	30,716,061
Cash and cash equivalents at end of the year		$37,307,148	39,744,395

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

1. The company

Montego Bay Ice Company Limited ("company") is incorporated and domiciled in Jamaica. The company is listed on the Jamaica Stock Exchange and its registered office and principal place of business is located at 2 Creek Street, Montego Bay, St. James.

The principal activities of the company and its subsidiaries ("Group") (note 8) are the retailing of ice, bottling and sale of spring water, rental of properties and cold storage facilities.

The company has a joint venture agreement for the bottling and distribution of water under the "Ice water" brand.

2. Statement of compliance, basis of preparation, and significant accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB) and its International Financial Reporting Interpretations Committee (IFRIC), and comply with the provisions of the Jamaican Companies Act.

At the date of authorisation of the financial statements, certain new standards, and amendments to and interpretations of existing standards, have been issued but are not yet effective and which the company and group have not early-adopted. The company and group have assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and have determined that the following may be relevant to its operations and has concluded as follows:

- *IFRS 9, Financial Instruments,* (effective for accounting periods beginning on or after January 1, 2013) introduces new requirements for classifying and measuring financial assets. The standard also amends some of the requirements of *IFRS 7 Financial Instruments: Disclosures* including added disclosures about investments in equity instruments designated as fair value through other comprehensive income. The company is assessing the impact, if any, the amendment will have on the 2013 financial statements.
- *IFRIC 17, Distribution of Non-Cash Assets to Owners* is effective for annual reporting periods beginning on or after July 1, 2009 and is required to be applied prospectively; earlier application is permitted. IFRIC 17 provides that a dividend payable should be recognised when appropriately authorised and no longer at the entity's discretion. Where an owner has a choice of a dividend of a non-cash asset or cash, the dividend payable is estimated considering both the fair value and probability of the owners selecting each option. The dividend payable is measured at the fair value of the net assets to be distributed. The difference between fair value of the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss. The company is assessing the impact, if any, the amendment will have on the 2010 financial statements.

2. Statement of compliance, basis of preparation, and significant accounting policies (cont'd)

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis and are presented in Jamaica dollars ($), which is the functional currency of the company.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Residual value and expected useful life of property, plant & equipment:

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the company and the group.

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(c) Changes in accounting policy:

The group has applied *IAS 1 (Revised) Presentation of Financial Statements* and *IFRS 8 Operating Segments,* in the presentation of these financial statements. The changes in accounting policy only impacts presentation and comparative information has been re-presented to conform with the revised standards.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(c) Changes in accounting policy (cont'd):

(i) Presentation of financial statements

The application of the revised *IAS 1 Presentation of Financial Statements (2007)* which became effective January 1, 2009 has resulted in the group presenting all owner changes in equity in the statement of changes in equity and non-owner changes in equity in the statement of comprehensive income.

(ii) Determination and presentation of operating segments

As of January 1, 2009 the group determines and presents operating segments based on the information that is provided internally to the managing director, the group's chief operating decision maker. This change is due to the adoption of *IFRS 8 Operating Segments*. Previously, operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. Because the change in accounting policy only impacts presentation and disclosures, there is no impact on earnings per share.

The significant accounting policies below conform in all material respects with IFRS.

(d) Basis of consolidation:

A "subsidiary" is an entity controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The consolidated financial statements comprise the financial results of the company and its subsidiaries for the year ended December 31, 2009.

The company and its subsidiaries are collectively referred to as the "group".

All significant inter-company transactions are eliminated in preparing the consolidated financial statements.

(e) Cash and cash equivalents:

Cash and cash equivalents comprise cash, bank balances and short-term deposits with maturity within three months, or less, from the date of acquisition. For the purpose of the company's and the group's statement of cash flows, bank overdraft, if any, is presented as a financing activity.

(f) Resale agreements:

Securities purchased under resale agreements ("Resale agreements" or "Reverse repos") are short-term transactions, whereby, securities are bought with simultaneous agreements to resell the securities on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending and are carried at amortised cost.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(f) Resale agreements (cont'd):

Interest earned on resale agreements is recognised as interest income over the life of each agreement using the effective interest rate method.

(g) Accounts receivable:

Trade and other receivables are stated at amortised cost, less impairment losses.

(h) Inventories:

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

(i) Accounts payable and provisions:

Trade and other payables are stated at amortised cost.

(j) Interest in subsidiaries:

Interest in subsidiaries is stated at cost, less impairment losses.

(k) Investment properties:

Investment properties are properties held either to earn rental income or for capital appreciation, or both. They are measured at cost, less accumulated depreciation and impairment losses.

(l) Property, plant & equipment:

Property, plant & equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant & equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefit embodied within the part will flow to the company or the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant & equipment are recognised in the income statement as incurred.

(m) Depreciation:

Property, plant & equipment and investment properties, with the exception of freehold land on which no depreciation is provided, are depreciated on the reducing-balance basis, at annual rates to write down the assets to their estimated residual values over their expected useful lives.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(m) Depreciation (cont'd):

The depreciation rates are as follows:

Property, plant & equipment:	
Buildings	5%
Plant, machinery and vehicles	10% - 20%
Office furniture and equipment	10%
Investment properties:	
Buildings	$2^1/_2$% and 5%
Machinery and equipment	10% - 20%
Furniture and fixtures	10%

The depreciation methods, useful lives and residual values are re-assessed at each reporting date.

(n) Revenue recognition:

Revenue from the sale of goods is recognised in the company's and the group's income statements when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised, if there are significant uncertainties regarding recovery of the consideration due, or material associated costs on the possible return of goods.

Rental income from investment properties is accrued and recognised in the company's and the group's income statement on the straight-line basis over the term of the lease agreement.

(o) Foreign currencies:

Foreign currency balances at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the company's and the Group's income statements.

(p) Related parties:

A party is related to a company, if:

(i) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the company that gives it significant influence over the company; or
- has joint control over the company;

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(p) Related parties (cont'd):

A party is related to a company, if:

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is a company that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The company and the Group have related party relationships with companies under common control and their directors, senior officers and executives. "Key management personnel" comprises executive, as well as non-executive, directors.

(q) Preference share capital:

Preference share capital is classified as equity, as it is non-redeemable. Dividends on preference share capital are recognised as distributions within equity.

(r) Finance costs and interest income:

Finance costs comprise interest on bank overdraft and other interest.

Interest income on funds invested is recognised in the company's and the group's income statements as it accrues, taking into account the effective yield on the asset.

(s) Taxation:

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the company's and the group's income statements, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(s) Taxation (cont'd):

Deferred tax is computed using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(t) Impairment:

The carrying amounts of the company's and the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the company's and the Group's income statements.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be estimated. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counterparty or indicators that the customer or counterparty will enter bankruptcy.

(i) Calculation of recoverable amount:

The recoverable amount of the company's and the Group's receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(t) Impairment (cont'd):

(ii) Reversals of impairment:

An impairment loss in respect of receivables is reversed, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed, if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss is reversed in profit or loss.

(u) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The activities of the group are organised into the following business segments:

(i) purchase and sale of ice;
(ii) rental of properties and cold storage facilities; and
(iii) processing and sale of spring water.

(v) Jointly controlled operations:

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the group controls, and its share of the net income that is earned from the joint operation.

(w) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, resale agreements and accounts receivable. Financial liabilities include accounts payable and due to subsidiary.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(x) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. The fair value of these instruments is assumed to approximate to their carrying value, due to their short-term nature.

(y) Discontinued operations:

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively for resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is represented as if the operation had been discontinued from the start of the comparative period.

3. Cash and cash equivalents

	Company		Group	
	2009	2008	2009	2008
Cash	20,000	20,000	20,000	20,000
Bank accounts	1,488,164	8,571,040	2,432,180	9,103,644
Certificates of deposit	-	-	34,854,968	30,620,751
	$1,508,164	8,591,040	37,307,148	39,744,395

Certificates of deposit comprise foreign currency deposits of US$390,940 (2008: US$382,941) for the group.

4. Resale agreements

The fair value of the underlying collateral held against resale agreements is $97,053,732 (2008: $239,886,000).

5. Accounts receivable

	Company		Group	
	2009	2008	2009	2008
Trade receivables	3,221,811	4,134,744	3,235,471	4,226,419
Less: Provision for doubtful debts	(1,553,886)	(1,117,634)	(1,553,886)	(1,117,634)
	1,667,925	3,017,110	1,681,585	3,108,785
Other	1,291,723	1,410,259	1,299,756	1,414,888
	$2,959,648	4,427,369	2,981,341	4,523,673

5. Accounts receivable (cont'd)

Other receivables for the company and the group include an interest-free loan of $Nil (2008: $24,510) due from a director.

The aging of trade receivables at the reporting date was:

	Company			
	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
0-30 days	1,437,583	-	412,512	-
Past due 31-60 days	-	-	143,986	-
Past due 61-90 days	9,700	-	1,069,753	-
More than 90 days	1,774,528	1,553,886	2,508,493	1,117,634
Total	$3,221,811	1,553,886	4,134,744	1,117,634

	Group			
	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
0-30 days	1,451,243	-	504,187	-
Past due 31-60 days	-	-	143,986	-
Past due 61-90 days	9,700	-	1,069,753	-
More than 90 days	1,774,528	1,553,886	2,508,493	1,117,634
Total	$3,235,471	1,553,886	4,226,419	1,117,634

Trade receivables for the group include $Nil (2008: $91,675) due from a company related by way of common directors.

The movement in the provision for doubtful debts in respect of accounts receivable during the year was as follows:

	Company and Group	
	2009	2008
Balance at January 1	1,117,634	289,417
Doubtful debts recognised	694,429	946,497
Bad debt recoveries	(28,983)	-
Accounts written off	(229,194)	(118,280)
Balance at December 31	$1,553,886	1,117,634

6. Inventories

	Company and Group	
	2009	2008
Water bottles and labels	1,093,069	1,547,856
Plant and machinery spares	720,839	685,619
	$1,813,909	2,233,475

7. Accounts payable

	Company		Group	
	2009	2008	2009	2008
Trade payables	874,111	1,062,515	874,111	1,062,515
Other	2,153,150	2,294,143	3,220,577	3,385,599
	$3,027,261	3,356,658	4,094,688	4,448,114

8. Interest in subsidiaries

Interest in subsidiaries comprises unquoted shares, as follows:

	2009	2008	% held	Main activity
Montego Cold Storage Limited, at cost	40,000	40,000	$66^2/_3$	Cold storage and property rental
Deans Valley Ice Company Limited, at cost	160	160	100	Dormant
Less: Provision for impairment	(159)	(159)		
	1	1		
	$40,001	40,001		

9. Investment properties

Company

	Freehold land and buildings
At cost:	
December 31, 2007, 2008 and 2009	10,129,032
Depreciation:	
December 31, 2007	169,836
Charge for the year	20,709
December 31, 2008	190,545
Charge for the year	19,675
December 31, 2009	210,220
Charge for the year	
Net book values:	
December 31, 2009	$ 9,918,812
December 31, 2008	$ 9,938,487
December 31, 2007	$ 9,959,196

9. Investment properties (cont'd)

Group

	Freehold land and buildings	Machinery and equipment	Furniture and fixtures	Total
At cost:				
December 31, 2007	63,665,060	2,009,318	1,079,946	66,754,324
Additions	2,850,000	-	-	2,850,000
December 31, 2008	66,515,060	2,009,318	1,079,946	69,604,324
Additions	4,001,080	-	-	4,001,080
December 31, 2009	70,516,140	2,009,318	1,079,946	73,605,404
Depreciation:				
December 31, 2007	6,509,049	1,751,159	559,580	8,819,788
Charge for the year	328,450	25,816	26,018	380,284
December 31, 2008	6,837,499	1,776,975	585,598	9,200,072
Charge for the year	1,112,245	23,234	24,718	1,160,197
December 31, 2009	7,949,744	1,800,209	610,316	10,360,269
Net book values:				
December 31, 2009	$62,566,396	209,109	469,630	63,245,135
December 31, 2008	$59,677,561	232,343	494,348	60,404,252
December 31, 2007	$57,156,011	258,159	520,366	57,934,536

Freehold land and buildings include land at cost of $9,545,000 (2008: $9,545,000) for the company and $53,437,000 (2008: $53,437,000) for the Group.

At December 31, 2009, the fair value of investment properties amounted to $11,900,000 (2008: $11,900,000) for the company and $103,100,000 (2008 $103,100,000) for the Group, as determined by the directors, having regard to market conditions for similar properties in comparable locations and categories as the investment properties.

During the year, the company's and the Group's investment properties generated income and expenses as follows:

	Company		Group	
	2009	2008	2009	2008
	$	$	$	$
Income earned from properties	932,540	728,934	14,397,445	9,816,997
Expenses incurred by properties	-	-	(883,497)	(786,910)

10. Property, plant & equipment

Company

	Freehold land and buildings	Plant, machinery and vehicles	Office furniture and equipment	Total
At cost:				
December 31, 2007	37,958,999	44,053,682	1,693,406	83,706,087
Additions	-	-	55,700	55,700
Disposals	-	(12,779,790)	-	(12,779,790)
December 31, 2008	37,958,999	31,273,892	1,749,106	70,981,997
Disposals	-	(2,470,000)	-	(2,470,000)
December 31, 2009	37,958,999	28,803,892	1,749,106	68,511,997
Depreciation:				
December 31, 2007	9,685,507	27,733,794	1,029,432	38,448,733
Charge for the year	581,675	707,289	94,247	1,383,211
Impairment loss	-	5,460,124	-	5,460,124
Eliminated on disposal	-	(7,757,479)	-	(7,757,479)
December 31, 2008	10,267,182	26,143,728	1,123,679	37,534,589
Charge for the year	552,591	505,473	87,607	1,145,671
Impairment loss	2,874,746	-	-	2,874,746
Eliminated on disposal	-	(1,938,162)	-	(1,938,162)
December 31, 2009	13,694,519	24,711,039	1,211,286	39,616,844
Net book values:				
December 31, 2009	$24,264,480	4,092,853	537,820	28,895,153
December 31, 2008	$27,691,817	5,130,164	625,427	33,447,408
December 31, 2007	$28,273,492	16,319,888	663,974	45,257,354

10. Property, plant & equipment (cont'd)

Group

	Freehold land and buildings	Plant, machinery and vehicles	Office furniture and equipment	Total
At cost:				
December 31, 2007	37,958,999	49,663,110	1,693,406	89,315,515
Additions	-	-	55,700	55,700
Disposal	-	(12,779,790)	-	(12,779,790)
December 31, 2008	37,958,999	36,883,320	1,749,106	76,591,425
Disposals	-	(2,470,000)	-	-
December 31, 2009	37,958,999	34,413,320	1,749,106	74,121,425
Depreciation:				
December 31, 2007	9,685,507	30,455,680	1,029,432	41,170,619
Charge for the year	581,675	1,284,797	94,247	1,960,719
Impairment loss	-	5,460,124	-	5,460,124
Eliminated on disposal	-	(7,757,479)	-	(7,757,479)
December 31, 2008	10,267,182	29,443,122	1,123,679	40,833,983
Charge for the year	552,591	967,480	87,607	1,607,678
Impairment loss	2,874,746	-	-	2,874,746
Eliminated on disposal	-	(1,938,162)	-	(1,938,162)
December 31, 2009	13,694,519	28,472,440	1,211,286	43,378,245
Net book values:				
December 31, 2009	$24,264,480	5,940,880	537,820	30,743,180
December 31, 2008	$27,691,817	7,440,198	625,427	35,757,442
December 31, 2007	$28,273,492	19,207,430	663,974	48,144,896

Freehold land and buildings include land at a cost of $16,640,000 (2008: $16,640,000) for the company and the Group.

11. Share capital and reserves

	2009	2008
(a) Share capital:		
(i) Authorised:		
52,500,000 Ordinary shares at no par value.		
5,000 6% Cumulative non-redeemable preference shares at no par value.		
(ii) Stated capital:		
Issued and fully paid:		
6,161,510 Ordinary stock units	1,232,302	1,232,302
5,000 6% Cumulative non-redeemable preference shares	10,000	10,000
	$1,242,302	1,242,302

11. Share capital and reserves (cont'd)

(b) Reserves comprise:

	Company		Group	
	2009	2008	2009	2008
Capital:				
Share premium	19,229,822	19,229,822	19,229,822	19,229,822
Realised gains on disposal of property, plant & equipment	2,724,014	2,055,852	2,724,014	2,055,852
Revenue:				
Retained earnings	36,925,316	45,651,861	101,928,745	104,840,639
	$58,879,152	66,937,535	123,882,581	126,126,313

Retained earnings include unrealised revaluation surplus of $42,084,748 (2008: $42,084,748) for the company and $77,205,612 (2008: $77,205,612) for the Group, in respect of the revaluation of investment properties which were deemed to be cost in accordance with first-time adoption provisions of IFRS.

12. Deferred tax liability

Deferred tax liability is attributable to the following:

	Company and Group	
	2009	2008
Investment properties	1,539,667	1,856,963
Property, plant and equipment	(27,092)	(25,482)
Accounts receivable	2,611	1,476
	$1,515,186	1,832,957

Movement in temporary differences during the year:

	Company and Group		
	2008	Recognised in income statement [note 16(a)	2009
Investment properties	1,856,963	(317,296)	1,539,667
Property, plant and equipment	(25,482)	(1,610)	(27,092
Accounts receivable	1,476	1,135	2,611
	$1,832,957	(317,771)	1,515,186

13. Gross operating revenue

Gross operating revenue represents income from the retailing of ice, bottling and sale of spring water, and the rental of properties and cold storage facilities.

14. Finance income and costs

(a) Finance income

	Company		Group	
	2009	2008	2009	2008
Interest income	1,803,608	2,408,209	2,726,922	3,232,622
Foreign exchange gains	3,403,269	3,373,635	7,140,396	7,254,000
	$5,206,877	5,781,844	9,867,318	10,486,622

(b) Finance costs

	Company and Group	
	2009	2008
Overdraft interest	-	9,872
Other interest	15,657	23,769
	$15,657	33,641

15. Loss for the year

The following are among the items charged in arriving at the loss for the year:

	Company		Group	
	2009	2008	2009	2008
	$	$	$	$
Depreciation	1,165,346	1,403,920	2,767,875	2,341,003
Impairment loss on plant and machinery	2,874,746	5,460,124	2,874,746	5,460,124
Staff costs (note 17)	6,257,597	18,885,686	9,174,145	19,191,031
Directors' emoluments:				
Fees	110,500	159,250	110,500	159,250
Management remuneration	2,230,038	2,791,191	4,460,076	3,987,416
Auditors' remuneration:				
Current year	1,200,000	1,600,000	1,750,000	2,106,000
Prior year	-	60,950	-	60,950

16. Taxation

	Company		Group	
	2009	2008	2009	2008
(a) Income tax expense:				
Current tax @ $33^1/_3$%	-	-	3,069,265	2,144,102
Prior period over-provision	-	-	(22,297)	-
	-	-	3,046,968	2,144,102
Deferred taxation:				
Origination and reversal of temporary differences (note 12)	-	(177,526)	(317,771)	144,294
Taxation (credit)/expense recognised in the income statement	$ -	(177,526)	2,729,197	2,288,396

(b) Reconciliation of effective tax rate:

The effective tax rate for 2009 was Nil% (2008: 0.79%) of pre-tax loss of $(8,058,383) [2008: $(22,549,829)] for the company and 80% (2008: 17.45%) of pre-tax profit of $3,392,792 (2008: loss of $13,115,525) for the Group, compared to the statutory tax rate of 33⅓% (2008: 33⅓%). The actual tax credit differs from the "expected" tax (credit)/charge for the year as follows:

	Company		Group	
	2009	2008	2009	2008
(Loss)/profit before taxation	$(8,058,383)	(22,549,829)	3,392,792	(13,115,527)
Computed "expected" tax (credit)/charge	(2,686,128)	(7,516,610)	1,130,930	(4,371,842)
Tax effect of differences between treatment for financial statement and taxation purposes:				
Non-deductible depreciation	1,051,013	(1,453,474)	1,136,212	(916,904)
Prior period under-provision	-	-	(22,297)	-
Disallowable expenses	(379,205)	(936,050)	(348,539)	(917,950)
Exchange gains	(1,134,423)	-	(2,315,852)	(1,233,516)
Unutilised tax losses	3,148,743	9,728,608	3,148,743	9,728,608
Actual taxation (credit)/charge recognised in the income statement	$ -	(177,526)	2,729,197	2,288,396

(c) At December 31, 2009, taxation losses, subject to agreement by the Commissioner of Taxpayer Audit Assessment Department, available for relief against future taxable profits, amounted to approximately $39 million (2008: 29 million) for the company and Group. If unutilised, these can be carried forward indefinitely.

(d) A deferred tax asset of $12,750,722 (2008: $8,704,853) for the company and Group, relating to available tax losses and timing differences, has not been recognised, as the directors and management consider that the financial and operational strategies initiated to utilise the benefits of the deferred tax asset are still in progress.

17. Staff cost

	Company		Group	
	2009	2008	2009	2008
Uniform	-	166,530	-	166,530
Laundry	30,510	192,969	30,510	192,969
Staff welfare	129,083	665,870	129,083	665,870
Staff training	4,652	103,573	4,652	103,573
Salaries & wages	4,997,234	9,556,984	7,777,870	9,862,329
Redundancy	777,740	6,377,656	777,740	6,377,656
Health insurance	22,144	353,648	22,144	353,648
Employers contribution	296,234	1,468,456	432,146	1,468,456
	$6,257,597	18,885,686	9,174,145	19,191,031

18. Discontinued operation

(a) In September 2008, the company discontinued its entire ice production segment but continued the distribution of ice.

Loss from discontinued operation after taxation comprises:

	Company and Group	
	2009	2008
Gross operating revenue	-	25,162,988
Cost of operating revenue	-	(26,112,437)
Administration expenses	-	(12,041,196)
Loss from discontinued operation, net of tax	$ -	(12,990,645)

(b) Cash flows from discontinued operations:

CASH FLOW FROM OPERATING ACTIVITIES		
Loss from discontinued operations	-	(12,990,645)
Profit on disposal of plant & machinery	-	231,851
Impairment loss on plant & machinery	-	5,460,124
Net cash used by operating activities	$ -	(7,298,670)

19. Loss per ordinary stock unit

The loss per ordinary stock unit is calculated by dividing the loss for the year attributable to members of $(8,058,383) [(2008: $(22,372,303)] for the company and $(2,243,732) [2008: $(17,726,715)] for the Group by the 6,161,510 (2008: 6,161,510) ordinary stock units in issue during the year.

20. Dividends

Preference dividends in arrears at December 31, 2009 $Nil (2008: $Nil).

21. Related party transactions

During the year, the company and the Group had the following transactions at arm's length in the ordinary course of business with related parties:

	Company		Group	
	2009	2008	2009	2008
	$	$	$	$
Companies under common control:				
Rental income	-	-	(3,909,066)	(886,282)
Sales	(2,293,602)	(1,712,402)	(2,293,602)	(1,712,402)
Purchases	22,717	157,421	22,717	157,421
Compensation of key management personnel included in staff costs (note 15)	2,780,636	2,950,441	5,561,272	4,146,666

22. Segment results

The company has reduced the number of reportable segments to conform with the change in accounting policy. Those segments which do not qualify as reportable segments are combined and disclosed as other segments. Comparative figures have been reclassified to conform with those of the current year. Segment information is presented in respect of the Group's strategic business segments.

The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

22. Segment results (cont'd)

Segment information below represents the total for the group for continuing and discontinued operations.

	2009			
	Ice	Rental	Other	Total
Gross revenue from external customers	$17,356,739	14,397,445	2,027,770	33,781,954
Interest income	$ 1,803,608	923,314	-	2,726,922
Interest expense	$(15,657)	-	-	(15,657)
Segment (loss)/profit after tax	$(9,280,610)	9,654,518	289,687	663,595
Minority interest				(2,907,326)
Loss attributable to equity holders of the parent				$(2,243,731)
Reportable segment assets	$61,283,464	99,988,818	3,615,535	164,887,817
Reportable segment liabilities	$ 4,005,539	3,235,655	110	7,241,304
Capital expenditure	$ -	4,001,080	-	4,001,080
Depreciation and impairment	$ 4,020,418	1,622,203	-	5,642,621

22. Segment results (cont'd)

Segment information below represents the total for the group for continuing and discontinued operations.

	2008					
	Ice	Rental	Other	Total continuing operations	Less ice * (discontinued)	Total
Gross revenue from external customers	$ 2,287,544	9,816,997	3,801,939	15,906,480	25,162,988	41,069,468
Interest income	$ 2,408,109	824,513	-	3,232,622	-	3,232,622
Interest expense	$(33,641)	-	-	(33,641)	-	(33,641)
Segment (loss)/profit after tax	$(12,358,746)	7,697,316	2,248,154	(2,413,276)	(12,990,645)	(15,403,921)
Minority interest				(2,322,794)	-	(2,322,794)
Loss attributable to equity holders of parent				$(4,736,070)	(12,990,645)	(17,726,715)
Reportable segment assets	$70,063,747	90,498,911	5,620,799	166,183,455	-	166,183,457
Reportable segment liabilities	$ 4,619,500	4,581,029	110	9,200,638	-	9,200,639
Capital expenditure	$ -	2,850,000	55,700	2,905,700	-	2,905,700
Depreciation and impairment loss	$ 1,219,867	957,792	163,344	2,341,003	5,460,124	7,801,127

* See discontinued operations – note 18.

23. Financial risk management

The company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the company's and the Group's exposure to each of the above risks, the company's and the Group's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the company's and Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the company's and the Group's risk management framework.

(a) Credit risk:

Credit risk is the risk of financial loss to the company and the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, investment securities and cash and cash equivalents.

Exposure to credit risk:

The maximum exposure to credit risk at the reporting date was:

	Company		Group	
	2009	2008	2009	2008
Cash and cash equivalents	1,508,164	8,591,040	37,307,148	39,744,395
Securities purchased under resale agreements	28,156,630	21,678,652	28,156,630	21,678,652
Accounts receivable	2,959,648	4,427,369	2,981,341	4,523,673
	$32,624,442	34,697,061	68,445,119	65,946,720

There were no changes in the company's and the Group's approach to managing credit risk during the year.

23. Financial risk management (cont'd)

(a) Credit risk (cont'd):

Accounts receivable:

The company's and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Trade receivables consist of a small number of customers, spread across diverse industries and geographical areas. The demographics of the customer base, including the default risk of the industry in which customers operate, has less of an influence on credit risk. The company and the Group do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Geographically and by customer base, there is no concentration of credit risk.

Investment securities:

The company and the Group limit its exposure to credit risk by only investing in liquid securities and only with credit-worthy financial institutions and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. There is a 100% concentration of credit risk in investments in resale agreements.

Cash and cash equivalents:

The company limits its exposure to credit risk by placing cash resources with substantial counterparties who are believed to have minimal risk of default.

(b) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company and the Group will not be able to meet their financial obligations as they fall due. The company's and the Group's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's and the Group's reputation.

The company and the Group generally ensure availability of sufficient cash on demand to meet operational expenses. The contractual outflow for accounts payable is represented by the carrying amount and requires settlement within 12 months of the balance sheet date. The bank overdraft arose from unpresented cheques.

There were no changes to the company's and the Group's approach to managing liquidity risk during the year.

23. Financial risk management (cont'd)

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's and the Group's income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

There were no changes to the company's and the Group's approach to managing market risk during the year.

(i) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The company and the Group are exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies, primarily the United States Dollars (US$).

At December 31, 2009, foreign currency assets aggregated US$330,995 (2008: US$325,280) for the company and US$722,023 (2008: US$707,422) for the Group.

In accordance with accounting policies applied consistently, exchange gains and losses are recognised in the company's and the Group's income statement [note 2(o)].

Exchange rates for the US$, in terms of Jamaica dollars, were:

December 31, 2008	$79.96
December 31, 2009	$89.06

A 10% strengthening of the Jamaica dollar against the United States dollar at December 31 would have increased the loss by $6,430,337 (2008: $5,656,546).

A 5% weakening of the Jamaica dollar against the United States dollar at December 31 would have decreased the loss by $3,215,168 (2008: $2,828,273). This analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2008.

23. Financial risk management (cont'd)

(c) Market risk (cont'd):

(ii) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company and the Group limit their exposure to changes in interest rates by investing in securities at fixed interest rates for the duration of the term which is generally 90 days or less.

At December 31, 2009 financial assets subject to fixed interest rates aggregated \$30,098,093 (2008: \$29,478,994) for the company and \$64,953,061 (2008: \$60,645,204) for the Group.

Sensitivity analysis:

At the balance sheet date, the company only has fixed rate financial assets. Therefore, changes in market interest rates will neither affect the cash flows nor the carrying amount of the instruments.

The company had no financial liabilities subject to interest as at December 31, 2007; the bank overdraft arose from unpresented cheques [note 23(b)].

(d) Fair values:

The fair values of cash and cash equivalents, resale agreements, accounts receivable, accounts payable, due to subsidiary and bank overdraft are assumed to approximate to their carrying value, due to their short-term nature.

(e) Capital management:

It is the Board's policy to maintain a strong capital base so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as total shareholders' equity, comprising share capital, capital reserves and retained earnings. Neither the company nor any of its subsidiaries, are subject to externally imposed capital requirements.

MONTEGO BAY ICE COMPANY LIMITED

FORM OF PROXY

P.O. Box 51, Montego Bay, Jamaica

I/We ____

of ____

being a member/members of the Montego Bay Ice Co. Ltd., HEREBY APPOINT ______________________________ or failing him/her ______________________________ or failing him/her as my Proxy* to vote for me on my behalf at the Annual General Meeting of the Company to be held on the 7th day of July, 2010 and at any adjournment thereof.

DATED this ____________________ day of ______________ 2010

Signature ______________

Address ______________

____

Witness ______________

Place $100 adhesive stamp here

(To be lodged with the Company's Office at least 24 hours before the meeting)

* A member unable to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and proxy need not also be a member.

If executed by a Corporation the Proxy should be sealed.