

MONTEGO BAY ICE COMPANY LIMITED

Group Balance Sheet

6 Months ending June 30, 2010

	Company		Group		Audited
	June 2010	June 2009	June 2010	June 2009	December 2010
CURRENT ASSETS					
Cash and cash equivalents	1,429,862	2,682,833	35,716,568	37,629,897	37,307,148
Resale agreements	26,166,806	28,536,548	26,166,806	28,536,548	28,156,630
Accounts receivable	1,724,537	3,208,741	2,790,573	3,393,786	2,981,341
Inventories	1,808,015	2,193,695	1,808,015	2,193,695	1,813,909
Taxation recoverable	429,568	363,070	761,008	682,977	640,474
Total current assets	31,558,789	36,984,887	67,242,972	72,436,903	70,899,502
CURRENT LIABILITIES					
Bank Overdraft	321,043		321,043		(401,586)
Accounts payable	(2,415,340)	(3,373,121)	(3,257,411)	(4,205,796)	(4,094,688)
Due to subsidiary	(11,923,116)	(8,480,067)			-
Taxation payable			1,088,721	(230,046.45)	(653,152)
Dividends	(576,092)	(576,008)	(576,092)	(576,008)	(576,692)
Total current liabilities	(14,593,505)	(12,429,196)	(2,423,739)	(5,011,850)	(5,726,118)
NET CURRENT ASSETS	16,965,284	24,555,691	64,819,232	67,425,053	65,173,384
NON-CURRENT ASSETS					
Interest in subsidiaries	40,001	40,001			
Investment properties	9,909,467	9,928,650	62,669,914	64,225,342	63,245,135
Property, plant & equipment	28,454,752	32,810,731	30,117,977	34,318,887	30,743,180
Total non-current assets	38,404,220	42,779,382	92,787,891	98,544,229	93,988,315
Total assets less current liabilities	55,369,504	67,335,073	157,607,123	165,969,282	159,161,699
Financed by:					
EQUITY					
Share capital	1,242,302	1,242,302	1,242,302	1,242,302	1,242,302
Reserves	54,127,202	66,092,771	121,254,543	130,613,514	123,882,581
	55,369,504	67,335,073	122,496,845	131,855,816	125,124,883
MINORITY INTEREST	-	-	33,595,092	32,280,509	32,521,630
Total equity	55,369,504	67,335,073	156,091,937	164,136,325	157,646,513
NON-CURRENT LIABILITIES					
Deferred tax liability	-	-	1,515,186	1,832,957	1,515,186
Total non-current liabilities	55,369,504	67,335,073	157,607,123	165,969,282	159,161,699

B.H.

Director

Peter Hart

Theresa Chin

Director

Theresa Chin

Received 23/9/2010

MONTEGO BAY ICE COMPANY LIMITED

Statement of Comprehensive Income
Period ending June 30, 2010

	Company		Group			
	3 Months to June 2010	3 Months to June 2009	3 Months to June 2010	3 Months to June 2009	6 Months to June 2010	6 Months to June 2009
Gross operating revenue	5,536,515	4,353,888	8,906,863	7,853,151	17,161,738	14,942,642
Cost of operating revenue	<u>(4,731,071)</u>	<u>(3,178,256)</u>	<u>(4,731,071)</u>	<u>(3,178,257)</u>	<u>(8,489,558)</u>	<u>(6,174,497)</u>
Gross operating profit	805,443	1,175,632	4,175,791	4,674,894	8,672,181	8,768,145
Other income/(expense):						
Foreign exchange gains	(1,228,928)	15,591	(1,458,420)	94,284	(2,687,348)	6,491,017
Interest income	<u>449,914</u>	<u>464,770</u>	<u>630,268</u>	<u>697,366</u>	<u>1,290,903</u>	<u>1,332,228</u>
	<u>(779,013)</u>	<u>480,361</u>	<u>(828,152)</u>	<u>791,650</u>	<u>(1,396,445)</u>	<u>7,823,245</u>
	26,430	1,655,993	3,347,639	5,466,545	7,275,735	16,591,391
Administration and other expenses	<u>(3,271,621)</u>	<u>(3,449,518)</u>	<u>(6,383,573)</u>	<u>(4,455,436)</u>	<u>(10,698,691)</u>	<u>(9,429,176)</u>
Profit/(loss) from operations	(3,245,191)	(1,793,525)	(3,035,934)	1,011,109	(3,422,955)	7,162,215
Finance costs	<u>(8,020)</u>	<u>(3,670)</u>	<u>(8,020)</u>	<u>(3,670)</u>	<u>(10,260)</u>	<u>(8,807)</u>
Profit/(loss) before taxation and minority interest	(3,253,210)	(1,797,194)	(3,043,954)	1,007,439	(3,433,215)	7,153,408
Taxation						
Total comprehensived (loss)/profit for the period ending June 30, 2010	<u>(3,253,210)</u>	<u>(1,797,194)</u>	<u>(3,043,954)</u>	<u>1,007,439</u>	<u>(3,433,215)</u>	<u>7,153,408</u>

Montego Bay Ice Co. Ltd
Statement of Group Cash Flows
Period Ending 30 June 2010

	June 2010	June 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / loss for the year attributable to members	(4,506,677)	4,487,201
Adjustments for :		
Exchange differences	2,687,348	(6,693,689)
Interest income	1,290,903	1,332,228
Interest expense	10,260	8,807
Depreciation	516,606	1,047,671
Operating profit before changes in working capital	(1,561)	182,218
Decrease / (Increase) in current assets :		
Accounts receivable	190,768	1,129,887
Resale agreements	1,989,824	39,780
Inventories	5,894	1,158,691
Taxation recoverable	(120,534)	(2,415,040)
Increase / (decrease) in current liabilities :		
Accounts payable	(837,277)	(242,318)
Cash used by operations	1,227,112	(146,782)
Taxes Paid	(1,741,873)	(1,426,681)
Interest paid	(10,260)	(8,807)
Net cash used by operating activities	(525,021)	(1,582,269)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	(1,386,602)	(1,332,228)
Proceeds from disposal of plant & machinery		800,000
Net cash used by investing activities	(1,911,623)	(2,114,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Overdraft	321,043	-
Net cash used by financing activities	321,043	-
Net decrease in cash and cash equivalents	(1,590,580)	(2,114,498)
Effect of exchange rate fluctuation on cash held		
Cash and cash equivalents at beginning of the year	37,307,148	39,744,395
Cash and cash equivalents at end of the year	35,716,568	37,629,897

MONTEGO BAY ICE COMPANY LIMITED

Statement of Changes in Equity
Year ended June 30, 2010

	Capital Reserves		Revenue Reserves		Parent company stockholders equity	Minority Interest	Total Equity
	Share capital	Share premium	Realised	Retained earnings			
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
Profit, being total recognised gains 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
Total comprehensive losses for the period ending June 30, 2010				(2,628,039)	(2,628,039)	1,073,462	(1,554,577)
Balances at June 30, 2010	1,242,302	19,229,822	2,724,014	99,300,706	122,496,844	33,595,092	156,091,936
Balances at June 30, 2009	1,242,302	19,229,822	2,055,852	109,327,840	131,855,816	32,280,509	164,136,325

MONTEGO BAY ICE COMPANY LIMITED

Notes to the Financial Statements December 31, 2009

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”) are the manufacture and sale of ice and spring water, and the rental of cold storage facilities and apartments.

2. Basis of preparation and significant accounting policies

(a) 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.

(b) 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.

(c) 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.

2. Basis of preparation and significant accounting policies (cont'd)

(d) 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.

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

(e) Accounts receivable:

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

(f) 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.

(g) Accounts payable and provisions:

Trade and other payables are stated at amortised cost.

(h) Interest in subsidiaries:

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

(i) 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.

(j) 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.

2. Basis of preparation and significant accounting policies (cont'd)

(k) 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.

(l) 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.

(m) 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.