Contents

MONTEGO BAY ICE COMPANY LIMITED

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

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 companies office at 2 Creek Street, Montego Bay, Jamaica, on Thursday, 21st of July 2011 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, 2010 and the report of the Directors and Auditors thereon.

2. In accordance with section 62 of the Company's Articles of Association Messrs. Andrew Brennan and Peter Hart and Mrs. Seville Allen will retire by rotation. Messrs. Andrew Brennan and Peter Hart and Mrs. Seville Allen being eligible offer themselves for re-election.

3. 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.

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

Dated: June 10, 2011
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 2010

1. The Directors have pleasure in presenting their Annual Report and Audited Financial Statements for the year ended December 31, 2010

   The consolidated earnings for the year from operations are ($5,118,281).

2. In accordance with section 62 of the Company's Articles of Association Messrs. Andrew Brennan and Peter Hart and Mrs. Seville Allen will retire by rotation. Messrs. Andrew Brennan and Peter Hart and Mrs. Seville Allen being eligible offer themselves for re-election.

3. 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.

4. 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)

	2010	2009	Percentage 2010/2009
Assets	$159,592,853	$164,887,817	(3.21%)
Liabilities	$7,064,621	$7,241,304	(2.43%)
Shareholders' Equity	$119,135,098	$125,124,883	(4.79%)
(Loss)/Profit Before Taxation and Minority Interest	($2,317,205)	$3,392,792	168.29%
(Loss)/Profit After Tax Before Minority Interest	($5,118,281)	$663,595	871.29%
Number of Stocks Units Issued	6,161,510	6,161,510	
(Loss)/Earnings Per Stock Unit	($0.97)	($0.36)	

TOP TEN (10) STOCKHOLDERS

As at 31 December 2010

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.

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 21st day of July, 2011 and at any adjournment thereof.

DATED this ____________________ day of ______________ 2011

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.

KPMG

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 (the company) and the consolidated financial statements of the company and its subsidiaries (the group), set out on pages **8** to **38**, which comprise the group's and company's statements of financial position as at December 31, 2010, the group's and company's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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 the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls 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.

KPMG

To the Members of
MONTEGO BAY ICE COMPANY LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the group and the company as at December 31, 2010, and of the group's and company'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.

Report on additional matters 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 maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

KPMG

Chartered Accountants
Montego Bay, Jamaica

March 30, 2011

MONTEGO BAY ICE COMPANY LIMITED

Statements of Financial Position
December 31, 2010

	Notes	Company 2010	Company 2009	Group 2010	Group 2009
CURRENT ASSETS					
Cash and cash equivalents	3	1,421,224	1,508,164	35,236,605	37,307,148
Resale agreements	4	23,775,587	28,156,630	23,775,587	28,156,630
Accounts receivable	5	1,316,390	2,959,648	1,395,510	2,981,341
Inventories	6	2,287,567	1,813,909	2,287,567	1,813,909
Taxation recoverable		468,823	410,216	624,135	640,474
Total current assets		29,269,591	34,848,567	63,319,404	70,899,502
CURRENT LIABILITIES					
Bank overdraft (unsecured)		-	401,586	458,532	401,586
Accounts payable	7	3,445,105	3,027,261	4,356,373	4,094,688
Due to subsidiary		10,682,466	9,575,540	-	-
Taxation payable		-	-	437,973	653,152
Dividends unclaimed		575,576	576,692	575,576	576,692
Total current liabilities		14,703,147	13,581,079	5,828,454	5,726,118
Net current assets		14,566,444	21,267,488	57,490,950	65,173,384
NON-CURRENT ASSETS					
Interest in subsidiaries	8	40,001	40,001	-	-
Investment properties	9	9,900,122	9,918,812	62,104,101	63,245,135
Property, plant and equipment	10	27,882,093	28,895,153	34,169,348	30,743,180
Total non-current assets		37,822,216	38,853,966	96,273,449	93,988,315
Total assets less current liabilities		$52,388,660	60,121,454	153,764,399	159,161,699
EQUITY					
Share capital	11(a)	1,242,302	1,242,302	1,242,302	1,242,302
Reserves	11(b)	51,146,358	58,879,152	117,892,796	123,882,581
Equity attributable to owners of the company		52,388,660	60,121,454	119,135,098	125,124,883
Non-controlling interests		-	-	33,393,134	32,521,630
Total equity		52,388,660	60,121,454	152,528,232	157,646,513
NON-CURRENT LIABILITY					
Deferred tax liability	12	-	-	1,236,167	1,515,186
Total equity and non-current liability		$52,388,660	60,121,454	153,764,399	159,161,699

The financial statements on pages 3 to 32 were approved for issue by the Board of Directors on March 30, 2011 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, 2010

	Notes	Company 2010	Company 2009	Group 2010	Group 2009
Gross operating revenue	13	19,765,826	20,317,049	33,617,789	33,781,954
Cost of operating revenue		(16,386,869)	(17,195,232)	(16,386,869)	(17,195,232)
Gross operating profit		3,378,957	3,121,817	17,230,920	16,586,722
Other income		1,093,100	1,243,723	1,093,100	1,243,723
		4,472,057	4,365,540	18,324,020	17,830,445
Administrative and other expenses		(12,545,211)	(17,615,143)	(20,198,251)	(24,289,314)
		(8,037,154)	(13,249,603)	(1,874,231)	(6,458,869)
Finance income	14(a)	1,595,674	5,206,877	2,317,122	9,867,318
Finance costs	14(b)	(1,255,314)	(15,657)	(2,760,096)	(15,657)
(Loss)/profit from operations before taxation	15	(7,732,794)	(8,058,383)	(2,317,205)	3,392,792
Taxation	16	-	-	(2,801,076)	(2,729,197)
(Loss)/profit for the year, being total comprehensive (expense)/income		$(7,732,794)	(8,058,383)	(5,118,281)	663,595
Attributable to:					
Owners of the company		(7,732,794)	(8,058,383)	(5,989,785)	(2,243,732)
Non-controlling interest		-	-	871,504	2,907,327
		$(7,732,794)	(8,058,383)	(5,118,281)	663,595
Total comprehensive (expense)/income attributable to owners of the company dealt with in the financial statements of:					
The company		(7,732,794)	(8,058,383)	(7,732,794)	(8,058,383)
The subsidiaries		-	-	1,743,009	5,814,651
Loss for the year attributable to members		$(7,732,794)	(8,058,383)	(5,989,785)	(2,243,732)
Loss per ordinary stock unit	18	(1.26)¢	(1.31)¢	(0.97)¢	(0.36)¢

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, 2010

		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, 2008	1,242,302	19,229,822	2,055,852	45,651,861	68,179,837
Total comprehensive expense for the year	-	-	-	(8,058,383)	(8,058,383)
Transfer of gain on disposal of property, plant and 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
Total comprehensive expense for the year	-	-	-	(7,732,794)	(7,732,794)
Transfer of gain on disposal of property, plant and equipment	-	-	384,677	(384,677)	-
Balances at December 31, 2010	$1,242,302	19,229,822	3,108,691	28,807,845	52,388,660

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, 2010

		Capital reserves		Revenue reserves			
	Share capital [note 11(a)]	Share premium [note 11(b)]	Realised [note 11(b)]	Retained earnings [note 11(b)]	Total	Non-controlling interest	Total equity
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 expense for the year	-	-	-	(2,243,732)	(2,243,732)	2,907,327	663,595
Transfer of gain on disposal of property, plant and 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 expense for the year	-	-	-	(5,989,785)	(5,989,785)	871,504	(5,118,281)
Transfer of gain on disposal of property, plant and equipment	-	-	384,677	(384,677)	-	-	-
Balances at December 31, 2010	$1,242,302	19,229,822	3,108,691	95,554,283	119,135,098	33,393,134	152,528,232

Retained earnings dealt with in the financial statements of:

	2010	2009
The company	28,807,845	36,925,316
The subsidiaries	66,746,438	65,003,429
	$95,554,283	101,928,745

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, 2010

	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(7,732,794)	(8,058,383)
Adjustments for:			
Interest income	14(a)	(1,595,674)	(1,803,608)
Gain on disposal of property, plant and equipment		(384,677)	(668,162)
Impairment loss on property, plant and equipment	10	-	2,874,746
Depreciation	10/9	866,427	1,165,346
Interest expense	14(b)	11,682	15,657
Operating loss before changes in working capital		(8,835,036)	(6,474,404)
(Increase)/decrease in current assets:			
Accounts receivable		1,557,425	1,422,222
Inventories		(473,658)	419,566
Increase/(decrease) in current liabilities:			
Accounts payable		417,844	(329,397)
Due to subsidiary		1,106,926	384,803
Dividends unclaimed		(1,116)	684
Cash used by operations		(6,227,615)	(4,576,526)
Tax (paid)/refund		(58,607)	1,223,425
Interest paid		(11,682)	(15,657)
Net cash used by operating activities		(6,297,904)	(3,368,758)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,681,507	1,849,107
Resale agreements		4,381,043	(6,477,978)
Proceeds from disposal of property, plant and equipment		550,000	1,200,000
Net cash provided/(used) by investing activities		6,612,550	(3,428,871)
CASH FLOWS FROM FINANCING ACTIVITY			
Bank overdraft		(401,586)	(285,247)
Net decrease in cash and cash equivalents		(86,940)	(7,082,876)
Cash and cash equivalents at beginning of the year		1,508,164	8,591,040
Cash and cash equivalents at end of the year		$1,421,224	1,508,164

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, 2010

	Notes	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(5,118,281)	663,595
Adjustments for:			
Interest income	14(a)	(2,317,122)	(2,726,922)
Gain on disposal of property, plant and equipment		(384,677)	(668,162)
Depreciation	10/9	3,560,585	2,767,875
Impairment loss on property, plant and equipment	10	-	2,874,746
Interest expense	14(b)	11,682	15,657
Taxation	16(a)	2,801,076	2,729,197
Operating (loss)/profit before changes in working capital		(1,446,737)	5,655,986
(Increase)/decrease in current assets:			
Accounts receivable		1,571,144	1,500,239
Inventories		(473,658)	419,566
Increase/(decrease) in current liabilities:			
Accounts payable		261,685	(353,426)
Dividends unclaimed		(1,116)	684
Cash (used)/provided by operations		(88,682)	7,223,049
Tax paid		(3,278,935)	(2,849,349)
Interest paid		(11,682)	(15,657)
Net cash (used)/provided by operating activities		(3,379,299)	4,358,043
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,331,809	2,769,015
Resale agreements		4,381,043	(6,477,978)
Additions to investment properties	9	-	(4,001,080)
Additions to property, plant and equipment	10	(6,011,042)	-
Proceeds from disposals of property, plant and equipment		550,000	1,200,000
Net cash provided/(used) by investing activities		1,251,810	(6,510,043)
CASH FLOWS FROM FINANCING ACTIVITY			
Bank overdraft		56,946	(285,247)
Net decrease in cash and cash equivalents		(2,070,543)	(2,437,247)
Cash and cash equivalents at beginning of the year		37,307,148	39,744,395
Cash and cash equivalents at end of the year		$35,236,605	37,307,148

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

1. The company

Montego Bay Ice Company Limited ("the 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 ("the 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 adopted by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

Certain new IFRS and interpretations of, and amendments to, existing standards, which were in issue, came into effect for the current financial year. The adoption of these standards and amendments did not result in any change in accounting policies and did not have any effect on these financial statements.

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

- IFRS 9 *Financial Instruments* (effective from January 1, 2013) introduces new requirements for classifying 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. Depending on the company's and the group's investment pattern in the future, this standard may have an impact on the financial statements when it becomes effective.

- Amendments to IAS 32 *Financial Instruments: Presentation* (effective from February 1, 2010) require that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This is not expected to have an impact on the group's 2011 financial statements.

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

(a) Statement of compliance (cont'd):

- Amendments to IFRS 7 *Disclosures–Transfer of Financial Assets* (effective from July 1, 2011) requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities and to evaluate the nature of and risks associated with, the entity's continuing involvement in these derecognised assets. The group is assessing the impact, if any, the amendment will have on its 2012 financial statements.

- IFRS 9 *Financial Instruments (2010).* The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective from January 1, 2013. The revised standard now includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 *Financial Instruments: Recognition and Measurement* on the recognition and de-recognition of financial assets and financial liabilities. The group is assessing the impact that the standard will have on its 2013 financial statements.

- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* effective from July 1, 2010 addresses the accounting by the debtor in a debt for equity swap transaction and specifically how the entity should measure the equity instruments issued to extinguish a financial liability. The group is assessing the impact that the standard will have on its 2011 financial statements.

- Improvements to IFRS 2010 contain amendments to six standards and to one interpretation and are effective for accounting periods beginning on or after July 1, 2010 or January 1, 2011. The main applicable amendments are as follows:

  - IFRS 7 *Financial Instruments: Disclosures* – The standard is amended to add an explicit statement that the interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risks arising from financial statements. Existing disclosures relating to maximum exposure to credit risk, financial effect of collateral held as security and other enhancements in respect of a financial instrument have been amended. Certain disclosures relating to carrying amount of financial assets that are not past due or are not impaired as a result of their terms having been renegotiated and description of collateral held as security for financial assets that are past due have been removed. The amendment is effective for accounting periods beginning on or after January 1, 2011.

  - IAS 1 *Presentation of Financial Statements* – IAS 1 is amended to state that for each component of equity a reconciliation from opening to closing balances is required to be presented in the statement of changes in equity, showing separately changes arising from items recognised in profit or loss, in other comprehensive income and from transactions with owners acting in their capacity as owners. The amendment is effective for accounting periods beginning on or after January 1, 2011.

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

(a) Statement of compliance (cont'd):

- IAS 27 *Consolidated and Separate Financial Statements* – The amendments added guidance about disposals of all or part of a foreign operation and about accounting for a loss of significant influence or joint control. The amendments are effective for accounting periods beginning on or after July 1, 2010.

- IAS 34 *Interim Financial Reporting* – the amendment has resulted in the addition of a number of examples of events or transactions that require disclosure. The amendment is effective for accounting periods beginning on or after January 1, 2011.

The group is assessing the impact, if any, that these amendments would have on the 2011 financial statements.

(b) Basis of preparation and functional currency:

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 reporting 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 and equipment and investment properties:

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.

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

(b) Basis of preparation and functional currency (cont'd):

(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.

(iii) Net realisable value of inventories:

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year, to the extent that such events confirm conditions existing at the end of the year.

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

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

(c) 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, 2010.

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.

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

(e) 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.

(f) Accounts receivable:

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

(g) 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.

(h) Accounts payable.

Trade and other payables are stated at amortised cost.

(i) Interest in subsidiaries:

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

(j) Investment properties:

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

(k) Property, plant and equipment:

Property, plant and 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 and 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 and equipment are recognised in determining profit or loss as incurred.

(l) Depreciation:

Property, plant and 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)

(l) Depreciation (cont'd):

The depreciation rates are as follows:

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

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

(m) Revenue recognition:

Revenue from the sale of goods is recognised in profit or loss 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 profit or loss on the straight-line basis over the term of the lease agreement.

(n) Foreign currencies:

Foreign currency balances at the reporting 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 profit or loss.

(o) 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)

(o) Related parties (cont'd):

A party is related to a company, if (cont'd):

(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.

(p) 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.

(q) Finance costs and interest income:

Finance costs comprise interest on bank overdraft, other interest and foreign exchange losses.

Interest expense and interest income on funds invested are recognised in profit or loss as they accrue, using the effective yield method.

(r) Taxation:

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting 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)

(r) Taxation (cont'd):

Deferred tax is computed using the balance sheet 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 reporting date.

A deferred tax asset is recognised 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.

(s) Impairment:

The carrying amounts of the company's and the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. 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 profit or loss.

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)

(s) 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.

(t) 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 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.

(u) 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.

(v) 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 bank overdraft, accounts payable and due to subsidiary.

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

(w) 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.

3. Cash and cash equivalents

	Company		Group	
	2010	2009	2010	2009
Cash	20,000	20,000	20,000	20,000
Bank accounts	1,401,224	1,488,164	1,401,224	2,432,180
Certificates of deposit	-	-	33,815,381	34,854,968
	$1,421,224	1,508,164	35,236,605	37,307,148

Certificates of deposit comprise foreign currency deposits of US$396,239 (2009: US$390,940) for the group.

4. Resale agreements

The fair value of securities obtained and held under resale agreements is assumed to approximate, at least cost.

5. Accounts receivable

	Company		Group	
	2010	2009	2010	2009
Trade receivables	1,101,478	3,221,811	1,101,478	3,235,471
Less: Provision for doubtful debts	(366,694)	(1,553,886)	(366,694)	(1,553,886)
	734,784	1,667,925	734,784	1,681,585
Others	581,606	1,291,723	660,726	1,299,756
	$1,316,390	2,959,648	1,395,510	2,981,341

5. Accounts receivable (cont'd)

The aging of trade receivables at the reporting date was:

	Company			
	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
0-30 days	684,182	-	1,437,583	-
Past due 31-60 days	-	-	-	-
Past due 61-90 days	-	-	9,700	-
More than 90 days	417,296	366,694	1,774,528	1,553,886
Total	$1,101,478	366,694	3,221,811	1,553,886

	Group			
	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
0-30 days	684,182	-	1,451,243	-
Past due 31-60 days	-	-	-	-
Past due 61-90 days	-	-	9,700	-
More than 90 days	417,296	366,694	1,774,528	1,553,886
Total	$1,101,478	366,694	3,235,471	1,553,886

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

	Company and Group	
	2010	2009
Balance at January 1	1,553,886	1,117,634
Doubtful debts recognised	-	694,429
Bad debt recoveries	-	(28,983)
Accounts written off	(1,187,192)	(229,194)
Balance at December 31	$ 366,694	1,553,886

6. Inventories

	Company and Group	
	2010	2009
Water bottles and labels	1,454,968	1,093,070
Plant and machinery spares	832,599	720,839
	$2,287,567	1,813,909

MONTEGO BAY ICE COMPANY LIMITED

Notes to the Financial Statements (Continued)
December 31, 2010

7. Accounts payable

	Company		Group	
	2010	2009	2010	2009
Trade payables	1,207,042	874,111	1,207,042	874,111
Other	2,238,063	2,153,150	3,149,331	3,220,577
	$3,445,105	3,027,261	4,356,373	4,094,688

8. Interest in subsidiaries

Interest in subsidiaries comprises unquoted shares, as follows:

	2010	2009	% held	Main activity
Montego Cold Storage Limited, at cost	40,000	40,000	66⅔	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
Cost:	
December 31, 2008, 2009 and 2010	10,129,032
Depreciation:	
December 31, 2008	190,545
Charge for the year	19,675
December 31, 2009	210,220
Charge for the year	18,690
December 31, 2010	228,910
Net book values:	
December 31, 2010	$ 9,900,122
December 31, 2009	$ 9,918,812

9. Investment properties (cont'd)

Group

	Freehold land and buildings	Machinery and equipment	Furniture and fixtures	Total
Cost:				
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 and 2010	70,516,140	2,009,318	1,079,946	73,605,404
Depreciation:				
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
Charge for the year	1,096,641	20,911	23,482	1,141,034
December 31, 2010	9,046,385	1,821,120	633,798	11,501,303
Net book values:				
December 31, 2010	$61,469,755	188,198	446,148	62,104,101
December 31, 2009	$62,566,396	209,109	469,630	63,245,135

Freehold land and buildings include land at cost of $9,545,000 (2009: $9,545,000) for the company and $53,437,000 (2009: $53,437,000) for the group.

At December 31, 2010, the fair value of investment properties amounted to $11,900,000 (2009: $11,900,000) for the company and $103,100,000 (2009: $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 incurred expenses as follows:

	Company		Group	
	2010	2009	2010	2009
	$	$	$	$
Income earned from properties	942,145	932,540	14,794,108	14,397,445
Expenses incurred by properties	(43,750)	(43,750)	(1,497,599)	(883,497)

10. Property, plant and equipment

Company

	Freehold land and buildings	Plant, machinery and vehicles	Office furniture and equipment	Total
Cost:				
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
Disposals	-	(1,231,750)	-	(1,231,750)
December 31, 2010	37,958,999	27,572,142	1,749,106	67,280,247
Depreciation:				
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
Charge for the year	381,224	412,731	53,782	847,737
Eliminated on disposal	-	(1,066,427)	-	(1,066,427)
December 31, 2010	14,075,743	24,057,343	1,265,068	39,398,154
Net book values:				
December 31, 2010	$23,883,256	3,514,799	484,038	27,882,093
December 31, 2009	$24,264,480	4,092,853	537,820	28,895,153

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

Group

	Freehold land and buildings	Plant, machinery and vehicles	Office furniture and equipment	Total
Cost:				
December 31, 2008	37,958,999	36,883,320	1,749,106	76,591,425
Disposals	-	(2,470,000)	-	(2,470,000)
December 31, 2009	37,958,999	34,413,320	1,749,106	74,121,425
Additions	-	6,011,042	-	6,011,042
Disposals	-	(1,231,750)	-	(1,231,750)
December 31, 2010	37,958,999	39,192,612	1,749,106	78,900,717
Depreciation:				
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
Charge for the year	381,224	1,984,545	53,782	2,419,551
Eliminated on disposal	-	(1,066,427)	-	(1,066,427)
December 31, 2010	14,075,743	29,390,558	1,265,068	44,731,369
Net book values:				
December 31, 2010	$23,883,256	9,802,054	484,038	34,169,348
December 31, 2009	$24,264,480	5,940,880	537,820	30,743,180

Freehold land and buildings include land at a cost of $16,640,000 (2009: $16,640,000) for the company and the group.

11. Share capital and reserves

	2010	2009
(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	
	2010	2009	2010	2009
Capital:				
Share premium	19,229,822	19,229,822	19,229,822	19,229,822
Realised gains on disposal of property, plant and equipment	3,108,691	2,724,014	3,108,691	2,724,014
Revenue:				
Retained earnings	28,807,845	36,925,316	95,554,283	101,928,745
	$51,146,358	58,879,152	117,892,796	123,882,581

Retained earnings include unrealised revaluation surplus of $42,084,748 (2009 $42,084,748) for the company and $77,205,612 (2009: $77,205,612) for the group, in respect of investment properties which were deemed to be cost in accordance with first-time adoption of IFRS.

12. Deferred tax liability

Deferred tax liability is attributable to the following:

	2008	Recognised in income [note 16(a)]	2009	Recognised in income [note 16(a)]	2010
Property, plant and equipment	(25,482)	(1,610)	(27,092)	12,125	(14,967)
Investment properties	1,856,963	(317,296)	1,539,667	(314,860)	1,224,807
Accounts receivable	1,476	1,135	2,611	23,716	26,327
	$1,832,957	(317,771)	1,515,186	(279,019)	1,236,167

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	
	2010	2009	2010	2009
Interest income	1,595,674	1,803,608	2,317,122	2,726,922
Foreign exchange gains	-	3,403,269	-	7,140,396
	$1,595,674	5,206,877	2,317,122	9,867,318

14. Finance income and costs (cont'd)

(b) Finance costs

	Company		Group	
	2010	2009	2010	2009
Overdraft interest	11,682	15,657	11,682	15,657
Foreign exchange loss	1,243,632	-	2,748,414	-
	$1,255,314	15,657	2,760,096	15,657

15. (Loss)/profit for the year before taxation

The following are among the items charged in arriving at the (loss)/profit for the year before taxation:

	Company		Group	
	2010	2009	2010	2009
	$	$	$	$
Depreciation	866,427	1,165,346	3,560,585	2,767,875
Gain on disposal of property, plant and and equipment	384,677	668,162	384,677	668,162
Impairment loss on plant and machinery	-	2,874,746	-	2,874,746
Staff costs (note 17)	5,037,512	6,257,596	6,711,248	9,174,144
Directors' emoluments:				
Fees	78,000	110,500	78,000	110,500
Management remuneration	924,000	2,230,038	1,848,000	4,460,076
Auditors' remuneration	1,250,000	1,200,000	1,900,000	1,750,000

16. Taxation

	Company		Group	
	2010	2009	2010	2009
(a) Income tax expense:				
Current tax @ 33⅓%	-	-	3,080,095	3,069,265
Prior period over-provision	-	-	-	(22,297)
	-	-	3,080,095	3,046,968
Deferred taxation:				
Origination and reversal of temporary differences (note 12)	-	-	(279,019)	(317,771)
Taxation expense recognised in profit or loss	$ -	-	2,801,076	2,729,197

16. Taxation (cont'd)

(b) Reconciliation of effective tax rate:

The effective tax rate for 2010 was Nil% (2009: Nil%) of pre-tax loss of $7,732,794 (2009: $8,058,383) for the company and 121% (2009: 80%) of pre-tax (loss)/profit of $(2,317,205) (2009: 3,392,792) for the group, compared to the statutory tax rate of 33⅓% (2009: 33⅓%). The actual tax charge differs from the "expected" tax charge for the year as follows:

	Company		Group	
	2010	2009	2010	2009
(Loss)/profit for the year before taxation	$(7,732,794)	(8,058,383)	(2,317,205)	3,392,792
Computed "expected" tax (credit)/charge	(2,577,598)	(2,686,128)	(772,402)	1,130,931
Tax effect of differences between treatment for financial statement and taxation purposes:				
Depreciation and capital allowances	(15,098)	1,051,013	453,762	1,136,211
Prior period under-provision	-	-	-	(22,297)
Disallowable expenses	17,881	(379,205)	33,281	(348,539)
Exchange losses/(gains)	406,355	(1,134,423)	917,975	(2,315,852)
Unutilised tax losses	2,168,460	3,148,743	2,168,460	3,148,743
Actual taxation charge recognised in profit or loss	$ -	-	2,801,076	2,729,197

(c) At December 31, 2010, taxation losses, subject to agreement by the Commissioner of Taxpayer Audit & Assessment Department, available for relief against future taxable profits, amounted to approximately $45 million (2009: 39 million) for the company and group. If unutilised, these can be carried forward indefinitely.

(d) A deferred tax asset of $14,755,663 (2009: $12,750,722) 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 costs

	Company		Group	
	2010	2009	2010	2009
Laundry	30,575	30,510	30,575	30,510
Staff welfare	121,642	129,082	121,642	129,082
Staff training	14,060	4,652	14,060	4,652
Salaries and wages	4,087,661	5,774,974	5,623,199	8,555,610
Health insurance	489,840	22,144	489,840	22,144
Employers contribution	293,734	296,234	431,932	432,146
	$5,037,512	6,257,596	6,711,248	9,174,144

18. Loss per ordinary stock unit

The loss per ordinary stock unit is calculated by dividing the loss for the year attributable to owners of $7,732,794 (2009: $8,058,383) for the company and $5,989,785 (2009: $2,243,732) for the group by the 6,161,510 (2009: 6,161,510) ordinary stock units in issue during the year.

19. Dividends

Preference dividends in arrears at December 31, 2010 $Nil (2009: $Nil).

20. 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	
	2010	2009	2010	2009
	$	$	$	$
Companies under common control:				
Rental income	-	-	(4,592,234)	(3,909,066)
Sales	(1,371,915)	(2,293,602)	(1,371,915)	(2,293,602)
Purchases	29,138	22,717	29,138	22,717
Compensation of key management personnel included in staff costs	924,000	2,780,636	1,848,000	5,561,272

21. 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.

21. Segment results (cont'd)

Segment information below represents the total for the group.

	2010			
	Ice $	Rental $	Other $	Total $
Gross revenue from external customers	15,691,485	14,794,108	3,132,196	33,617,789
Interest income	1,595,674	721,448	-	2,317,122
Interest expense	(11,682)	-	-	(11,682)
Segment (loss)/profit after tax	(10,109,823)	3,556,658	1,434,884	(5,118,281)
Non-controlling interest				(871,504)
Loss attributable to owners of the company				(5,989,785)
Reportable segment assets	54,461,887	101,285,750	3,845,216	159,592,853
Reportable segment liabilities	4,020,681	3,043,830	110	7,064,621
Capital expenditure	-	-	6,011,042	6,011,042
Depreciation and impairment	847,737	1,510,640	1,202,208	3,560,585

21. Segment results (cont'd)

Segment information below represents the total for the group for the 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
Non-controlling interest				(2,907,327)
Loss attributable to owners of the company				(2,243,732)
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. 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 group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the 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 group's risk management framework.

22. Financial risk management (cont'd)

(a) Credit risk:

Credit risk is the risk of financial loss to 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	
	2010	2009	2010	2009
Cash and cash equivalents	1,421,224	1,508,164	35,236,605	37,307,148
Resale agreements	23,775,587	28,156,630	23,775,587	28,156,630
Accounts receivable	1,316,390	2,959,648	1,395,510	2,981,341
	$26,513,201	32,624,442	60,407,702	68,445,119

There were no changes in the approach to managing credit risk during the year.

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 group does 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 group limits its exposure to credit risk by only investing in liquid securities and 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.

22. Financial risk management (cont'd)

(b) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the group will not be able to meet their financial obligations as they fall due. 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 group's reputation.

The group generally ensures availability of sufficient cash on demand to meet operational expenses. The contractual outflow for bank overdraft and accounts payable is mainly represented by the carrying amounts and requires settlement within 12 months of the balance sheet date.

There were no changes to the group's approach to managing liquidity risk during the year.

(c) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect 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 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 group is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currencies, primarily the United States Dollars (US$).

At December 31, 2010, foreign currency assets aggregated US$285,918 (2009: $330,995) for the company and US$683,082 (2009: US$722,023) for the group.

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

December 31, 2010	$85.34
December 31, 2009	$89.06

22. Financial risk management (cont'd)

(c) Market risk (cont'd):

(i) Foreign currency risk (cont'd):

A 5% strengthening/weakening of the Jamaica dollar against the United States dollar at December 31 would have increased/decreased the loss by $1,220,012 for the company and $2,914,711 for the group (2009: $1,473,921 for the company and $3,215,168 for the group). This analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2009.

(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 group limits its 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, 2010, financial assets subject to fixed interest rates aggregated $24,628,574 (2009: $30,098,093) for the company and $58,443,955 (2009: $64,953,061) for the group.

At December 31, 2010, financial liabilities subject to fixed interest rates aggregated $Nil (2009: $Nil) for the company and $458,532 (2009: $Nil) for the group.

Sensitivity analysis

At the reporting date, the group only had fixed rate financial assets and liabilities. Therefore, changes in market interest rates will neither affect the cash flows nor the carrying amount of the instruments.

(d) 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 equity, comprising share capital, capital reserves and retained earnings. Neither the company nor any of its subsidiaries, are subject to externally imposed capital requirements.

23. Fair values of financial instruments

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.