Jamaica Money Market Brokers Limited

Financial Statements
31 March 2010

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IDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Jamaica Money Market Brokers Limited and its subsidiaries, and the accompanying financial statements of Jamaica Money Market Brokers Limited standing alone, set out on pages 3 to 79, which comprise the consolidated and company statement of financial position as at 31 March 2010 and the consolidated and company profit and loss accounts, statements of comprehensive income, changes in stockholders' 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 with the requirements of the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on 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 about 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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To the Members of
JAMAICA MONEY MARKET BROKERS LIMITED

Report on the Financial Statements, cont'd

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as of 31 March 2010, and of the financial performance, changes in shareholders equity and cash flows of the group and the company for the year then ended, so far as concerns the members of the company, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

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 are in agreement with the accounting records and returns.

KPMG

28 May 2010
Kingston, Jamaica

Jamaica Money Market Brokers Limited

Consolidated Profit and Loss Account

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Net Interest Income and Other Revenue			
Interest income	5	13,502,680	12,473,788
Interest expense	5	(11,600,165)	(11,120,410)
Net interest income		1,902,515	1,353,378
Fees and commission income		73,798	130,590
Gains on securities trading, net		961,532	3,134,736
Fees earned on managing funds on behalf of clients		50,851	58,905
Foreign exchange margins from cambio trading		106,982	171,604
Operating revenue net of interest expense		3,095,678	4,849,213
Other income			
Dividends		15,315	91,620
Gains on disposal of property, plant and equipment		327	143
		3,111,320	4,940,976
Operating Expenses			
Staff costs	6	(1,009,616)	(1,260,665)
Other expenses		(1,099,512)	(1,194,902)
		(2,109,128)	(2,455,567)
Operating Profit		1,002,192	2,485,409
Impairment loss on financial assets	7	-	(3,624,437)
Gain on sale of associated companies	8	-	2,329,460
Share of profits of associated companies (net of tax)		26,120	354,096
Profit before Taxation	9	1,028,312	1,544,528
Taxation	10	(41,934)	(441,906)
Profit for the Year		986,378	1,102,622
Attributable to:			
Equity holders of the parent		983,157	1,097,082
Non-controlling interest		3,221	5,540
		986,378	1,102,622
Earning per stock unit	11	0.67	0.75

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	2010 $'000	2009 $'000
Profit for the Year	986,378	1,102,622
Other comprehensive income		
Unrealised gains/(losses) on available-for-sale investments	727,580	(1,770,929)
Foreign exchange translation differences	25,570	(328,085)
	753,150	(2,099,014)
Total comprehensive income/(loss) for year, net of tax	1,739,528	(996,392)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	1,729,933	(1,001,932)
Non-controlling interest	9,595	5,540
	1,739,528	(996,392)

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Consolidated Statement of Financial Position
31 March 2010
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
ASSETS			
Cash and cash equivalents	13	3,643,532	2,430,257
Interest receivable		2,656,184	2,863,851
Income tax recoverable		1,277,889	885,294
Loans and notes receivable	14	3,639,894	3,449,130
Other receivables	15	2,627,877	2,131,406
Securities purchased under agreements to resell	16	2,473,540	1,455,155
Investments	17	104,887,535	96,260,862
Membership share	18	19,520	19,520
Interest in associated companies	20	631,932	584,718
Intangible assets	21	83,512	96,405
Property, plant and equipment	22	1,007,805	996,080
Deferred income tax assets	23	26,150	20,787
		122,975,370	111,193,465

Jamaica Money Market Brokers Limited

Consolidated Statement of Financial Position (Continued)

31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(825,220)	(1,552,800)
Cumulative translation reserve		(8,702)	(27,898)
Other reserve	25	13,672	-
Retained earnings		7,300,857	6,506,978
		6,860,229	5,305,902
Non-controlling interest		30,507	20,912
		6,890,736	5,326,814
LIABILITIES			
Securities sold under agreements to repurchase	26	102,844,985	90,110,998
Notes payable	27	648,650	1,081,404
Loans payable	28	7,043,932	9,249,311
Redeemable preference shares	24	2,690,085	2,690,085
Deferred income tax liabilities	23	278,902	120,706
Interest payable		1,473,460	1,502,523
Income tax payable		593,576	595,823
Payables		511,044	515,801
		116,084,634	105,866,651
		122,975,370	111,193,465

Approved for issue by the Board of Directors on 28 May 2010 and signed on its behalf by:

Noel A. Lyon Chairman

Keith P. Duncan Group Chief Executive Officer

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited
Consolidated Statement of Changes in Stockholders' Equity
Year ended 31 March 2010
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Other Reserves $'000	Retained Earnings $'000	Total Attributable to Equity holders of the Parent $'000	Non-Controlling Interest $'000	Total $'000
Balances at 31 March 2008		**365,847**	**13,775**	**(1,134,914)**	**300,187**	**-**	**7,099,518**	**6,644,413**	**16,091**	**6,660,504**
Total comprehensive income/(loss) for 2009		-	-	(1,770,929)	(328,085)	-	1,097,082	(1,001,932)	5,540	(996,392)
Transfer to retained earnings		-	-	1,353,043	-	-	(1,353,043)	-	-	-
Non-controlling interest in acquired subsidiary		-	-	-	-	-	-	-	(719)	(719)
Dividends	12	-	-	-	-	-	(336,579)	(336,579)	-	(336,579)
Balances at 31 March 2009		**365,847**	**13,775**	**(1,552,800)**	**(27,898)**	**-**	**6,506,978**	**5,305,902**	**20,912**	**5,326,814**
Total comprehensive income for 2010		-	-	727,580	19,196	-	983,157	1,729,933	9,595	1,739,528
Transfer from retained earnings		-	-	-	-	13,672	(13,672)	-	-	-
Dividends	12	-	-	-	-	-	(175,606)	(175,606)	-	(175,606)
Balances at 31 March 2010		**365,847**	**13,775**	**(825,220)**	**(8,702)**	**13,672**	**7,300,857**	**6,860,229**	**30,507**	**6,890,736**

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities			
Profit for the year		986,378	1,102,622
Adjustments for:			
Interest income	5	(13,502,680)	(12,473,788)
Interest expense	5	11,600,165	11,120,410
Income tax charge	10	41,934	441,906
Share of profits of associated companies		(26,120)	(354,096)
Provision for credit losses		23,441	4,892
Provision for bad debts		-	-
Impairment of financial assets		-	3,624,437
Amortisation of intangible assets	21	28,348	39,243
Depreciation of property, plant and equipment	22	83,249	92,186
Gains on disposal of property, plant and equipment		(330)	(143)
Gain on sale of associated companies		-	(2,329,460)
Foreign currency translation gains		(916,926)	(2,608,518)
Unrealised loss on trading securities		-	93,571
		(1,682,541)	(1,246,738)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(394,842)	154,948
Notes receivable		(214,205)	(546,794)
Other receivables		(496,471)	(4,346,318)
Payables		(4,757)	130,777
Securities purchased under agreements to resell		(1,018,385)	4,032,720
Securities sold under agreements to repurchase		12,733,987	11,050,310
		8,922,786	9,228,905
Interest received		13,710,347	11,297,443
Interest paid		(11,629,228)	(10,724,817)
Net cash provided by operating activities (Page 9)		11,003,905	9,801,531

Jamaica Money Market Brokers Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities (Page 8)		11,003,905	9,801,531
Cash Flows from Investing Activities			
Net proceeds/purchase of investment securities		(6,950,165)	(10,048,348)
Purchase of computer software	21	(15,455)	(36,481)
Purchase of property, plant and equipment	22	(104,323)	(199,738)
Proceeds from disposal of property, plant and equipment		9,679	3,330
Proceeds from disposal of associated company		-	2,991,878
Net cash outflow from purchase of non-controlling interest		-	(15,090)
Net cash used in investing activities		(7,060,264)	(7,304,449)
Cash Flows from Financing Activities			
Preference shares		-	117,523
Notes payable		(432,754)	(1,579,519)
Loans payable		(2,205,379)	(140,195)
Dividends paid	12	(175,606)	(336,579)
Net cash used in financing activities		(2,813,739)	(1,938,770)
Effect of exchange rate changes on cash and cash equivalents		83,373	205,363
Net increase in cash and cash equivalents		1,213,275	763,675
Cash and cash equivalents at beginning of year		2,430,257	1,666,582
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	3,643,532	2,430,257

Jamaica Money Market Brokers Limited

Profit and Loss Account

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Net Interest Income and Other Revenue			
Interest income from securities	5	12,740,651	11,393,867
Interest expense	5	(10,613,421)	(10,380,188)
Net interest income		2,127,230	1,013,679
Fees and commission income		44,843	77,362
Gains on securities trading, net		881,127	3,181,646
Fees earned on managing funds on behalf of clients		42,733	53,978
Foreign exchange margins from cambio trading		106,982	171,604
Operating revenue net of interest expense		3,202,915	4,498,269
Other income			
Dividends		14,705	70,770
		3,217,620	4,569,039
Operating Expenses			
Staff costs	6	(894,302)	(1,144,239)
Other expenses		(1,006,660)	(1,104,322)
		(1,900,962)	(2,248,561)
Operating Profit		1,316,658	2,320,478
Impairment loss on financial assets	7	-	(1,241,046)
Gain on sale of associated companies	8	-	2,329,460
Share of profits in associated companies		-	314,995
Profit before Taxation	9	1,316,658	3,723,887
Taxation	10	(49,746)	(429,534)
Profit for the Year		1,266,912	3,294,353

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Comprehensive Income

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	2010 $'000	2009 $'000
Profit for the Year	1,266,912	3,294,353
Other comprehensive income		
Unrealised gains/(losses) on available-for-sale investments	335,419	(1,164,831)
Foreign exchange translation differences	-	(266,894)
	335,419	(1,431,725)
Total comprehensive income for year, net of tax	1,602,331	1,862,628

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Financial Position

31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
ASSETS			
Cash and cash equivalents	13	2,497,273	1,553,488
Interest receivable		2,241,759	2,395,191
Income tax recoverable		1,264,782	875,838
Loans and notes receivable	14	3,072,692	2,931,099
Other receivables	15	1,539,468	1,092,054
Securities purchased under agreements to resell	16	18,258,899	19,550,100
Investments	17	83,241,305	75,617,971
Interest in subsidiaries	19	1,153,490	1,044,816
Intangible assets	21	64,989	75,879
Property, plant and equipment	22	888,446	906,676
		114,223,103	106,043,112
STOCKHOLDERS' EQUITY			
Share capital	24	365,847	365,847
Share premium		13,775	13,775
Investment revaluation reserve		(407,648)	(743,067)
Retained earnings		9,664,858	8,573,552
		9,636,832	8,210,107
LIABILITIES			
Securities sold under agreements to repurchase	26	91,763,695	82,588,265
Notes payable	27	561,110	883,500
Loans payable	28	7,043,932	9,249,311
Redeemable preference shares	24	2,690,085	2,690,085
Deferred income tax liabilities	23	278,902	119,045
Interest payable		1,409,090	1,431,556
Income tax payable		593,576	593,576
Payables		245,881	277,667
		104,586,271	97,833,005
		114,223,103	106,043,112

Approved for issue by the Board of Directors on 28 May 2010 and signed on its behalf by:

Noel A. Lyon Chairman

Keith P. Duncan Group Chief Executive Officer

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Changes in Stockholders' Equity
Year ended 31 March 2010
(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Share Premium $'000	Investment Revaluation Reserve $'000	Cumulative Translation Reserve $'000	Retained Earnings $'000	Total $'000
Balances at 31 March 2008		**365,847**	**13,775**	**(931,279)**	**266,894**	**6,968,821**	**6,684,058**
Total comprehensive income/(loss) for 2009		-	-	(1,164,831)	(266,894)	3,294,353	1,862,628
Transfer to retained earnings		-	-	1,353,043	-	(1,353,043)	-
Dividends	12	-	-	-	-	(336,579)	(336,579)
Balances at 31 March 2009		**365,847**	**13,775**	**(743,067)**	**-**	**8,573,552**	**8,210,107**
Total comprehensive income for 2010		-	-	335,419	-	1,266,912	1,602,331
Dividends	12	-	-	-	-	(175,606)	(175,606)
Balances at 31 March 2010		**365,847**	**13,775**	**(407,648)**	**-**	**9,664,858**	**9,636,832**

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Cash Flows
Year ended 31 March 2010
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities			
Profit for the year		1,266,912	3,294,353
Adjustments for:			
Interest income	5	(12,740,651)	(11,393,867)
Interest expense	5	10,613,421	10,380,188
Income tax charge	10	49,746	429,534
Share of profits of associated companies		-	(314,995)
Provision for credit losses		23,441	4,892
Impairment of financial assets		-	1,241,046
Amortisation of intangible assets	21	26,255	37,738
Depreciation of property, plant and equipment	22	77,860	88,204
Gains on disposal of property, plant and equipment		(330)	(143)
Foreign currency translation gains		(916,926)	(2,608,516)
Unrealised loss on trading securities		-	93,571
Gains on sale of associated companies		-	(2,329,460)
		(1,600,272)	(1,077,455)
Changes in operating assets and liabilities -			
Income tax recoverable, net		(388,944)	157,632
Notes receivable		(165,034)	(280,611)
Other receivables		(447,414)	(782,877)
Payables		(31,786)	25,583
Securities purchased under agreements to resell		1,291,201	(5,321,056)
Securities sold under agreements to repurchase		9,175,430	17,320,701
		7,833,181	10,041,917
Interest received		12,894,083	10,420,832
Interest paid		(10,635,887)	(10,029,559)
Net cash provided by operating activities (Page 15)		10,091,377	10,433,190

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Statement of Cash Flows (Continued)

Year ended 31 March 2010

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2010 $'000	2009 $'000
Cash Flows from Operating Activities (Page 14)		10,091,377	10,433,190
Cash Flows from Investing Activities			
Net proceeds/purchase of investment securities		(6,344,251)	(11,219,951)
Interest in subsidiary		(108,674)	(16,051)
Purchase of computer software	21	(15,365)	(36,481)
Purchase of property, plant and equipment	22	(67,719)	(124,358)
Proceeds from disposal of property, plant and equipment		8,419	3,156
Proceeds from disposal of associated company		-	2,991,878
Net cash used in investing activities		(6,527,590)	(8,401,807)
Cash Flows from Financing Activities			
Preference shares		-	117,523
Notes payable		(322,390)	(1,612,229)
Loans payable		(2,205,379)	(140,231)
Dividends paid	12	(175,606)	(336,579)
Net cash used in financing activities		(2,703,375)	(1,971,516)
Effect of exchange rate changes on cash and cash equivalents		83,373	205,363
Net increase in cash and cash equivalents		943,785	265,230
Cash and cash equivalents at beginning of year		1,553,488	1,288,258
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	2,497,273	1,553,488

The notes on pages 16 to 79 are an integral part of these financial statements

Jamaica Money Market Brokers Limited

Notes to the Financial Statements
31 March 2010
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Jamaica Money Market Brokers Limited (the "company") is incorporated and domiciled in Jamaica. The registered office of the company is located at 6 Haughton Terrace, Kingston 10, Jamaica. It has three subsidiaries incorporated in Jamaica, and there are other subsidiaries incorporated outside of Jamaica. The operating subsidiaries are listed below. The company and its subsidiaries are collectively referred to as "Group"; the Group has interests in an associated company, as detailed below.

The company is exempt from the provisions of the Money Lending Act.

The principal activities of the company are securities brokering, dealing in money market instruments, operating a foreign exchange cambio and managing funds on behalf of clients. Information on the subsidiaries and the associated companies is set out below:

Name of Subsidiary	% Shareholding Held by Parent/Subsidiary		Country of Incorporation	Principal Activities
	Parent	Subsidiary		
JMMB Securities Limited	100		Jamaica	Stock brokering
JMMB Insurance Brokers Limited	100		Jamaica	Insurance brokering
Jamaica Money Market Brokers (Trinidad and Tobago) Limited and its associated company,	100		Trinidad and Tobago	Investment holding company
Intercommercial Bank Limited and its subsidiary, Intercommercial Trust and Merchant Bank Limited		50	Trinidad and Tobago	Commercial and Merchant Banking
JMMB International Limited and its subsidiaries	100		St. Lucia	Investment holding and management
JMMB Dominicana, SA		100	Dominican Republic	Investment holding and management
JMMB BDI AMERICA		80	Dominican Republic	Stock brokering
JMMB Real Estate Holdings Limited	100		Jamaica	Property rental and development
JMMB Holdings Limited	100		St. Lucia	Investment holding

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS or IAS) and the relevant provisions of the Jamaican Companies Act. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Standards and amendments to published standards effective 1 January 2009 that are relevant to the Group's operations

- IFRS 7 (Amendment), Financial instruments – disclosures (effective for annual periods beginning on or after 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share. The enhanced disclosures are presented in Note 31.

- IAS 1 (Revised), Presentation of financial statements. The revised standard prohibits the presentation of income and expenses (that is, non-owner changes in equity) in the statement of changes in equity, requiring non-owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented in conformity with the revised standard. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the Group. The changes resulting from the adoption of this standard are shown on pages 4 and 11.

- IFRS 2 (Amendment), Share based payment. This amendment deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have any impact on the Group's or company's financial statements.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective 1 January 2009 that are relevant to the Group's operations (continued)

- IAS 23 (Amendment), Borrowing costs. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39. This amendment does not have any impact in the current year as the Group and the company does not have any qualifying assets.

- IFRS 8, Operating Segments. IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The changes resulting from the adoption of this standard has no impact on the current reporting as management reports in a similar manner.
- IAS 38 (Amendment), Intangible assets. An asset may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. Deletion of wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortisation than the straight line method. This amendment does not have any impact on the current year's financial statements.
- IAS 36 (Amendment), Impairment of assets. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. This amendment does not have any impact on the current year's financial statements.

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Group

The following standard, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2009 or later periods, but the Group has not early adopted them:

- IAS 39 (Amendment), Financial instruments: Recognition and measurement (effective for annual periods beginning on or after 1 July 2009). Clarification that it is possible for there to be movements into and out of the fair value through profit or loss category where:
  - A derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
  - Financial assets are reclassified following a change in policy by an insurance company in accordance with IFRS 4.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Group (continued)

The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition. There is also the removal of a segment as an example of what may be considered a party external to the reporting entity. When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used. This Group will apply this amendment from 1 April 2010.

- IFRS 3 (Amendment), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and Separate Financial Statements', IAS 28, 'Investments in Associates' and IAS 31, 'Interests in Joint Ventures' (effective for annual periods beginning on or after 1 July 2009). These amendments introduce a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and the future reported results. Also, under the amended standards, a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. The Group is assessing the impact of the new requirements regarding acquisition accounting and consolidation and accounting for losses incurred by the subsidiary. The changes must be applied prospectively and will affect future acquisitions.

- IFRIC 17, Distribution of Non-Cash assets to owners (effective from 1 July 2009 and is required to be applied prospectively; earlier application is permitted). 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 Group will adopt this interpretation from 1 April 2010.

- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations (and consequential amendment to IFRS 1, 'First-time adoption'). All of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. If the subsidiary described above is a disposal group meeting the definition of a discontinued operation, the relevant disclosures should be made. The Group will apply this amendment from 1 April 2010.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Group (continued)

- IAS 19 (Amendment), 'Employee benefits' (effective from 1 July 2009). This amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service give rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets amended to state that plan administration costs be deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits is now based on whether benefits are due to be settled within or after 12 months of employee service being rendered. There is also the deletion of guidance that states IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' requires contingent liabilities to be recognised. The Group will apply this amendment from 1 April 2010.

- IFRS 2 (amendments), 'Group cash-settled and share-based payment transactions' (effective for annual periods beginning on or after 1 January 2010). In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The Group is assessing the impact of future adoption of these amendments on its financial statements

- IFRS 9, Financial instruments part 1: Classification and measurement (effective for annual periods beginning on or after 1 January 2013) was issued in November 2009 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

  Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

  An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

  All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment. While adoption of IFRS 9 is mandatory from 1 January 2013, earlier adoption is permitted. The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

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2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation

The consolidated financial statements combine the financial position, results of operations and cash flows of the company and its subsidiaries (Note 1), and the Group's interest in its associated companies, subject to the elimination described at Note 2 (b)(iii).

(i) Subsidiaries
Subsidiaries are all entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates
Associates are all entities over which the Group has significant influence but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on the equity basis, from the date that significant influence commences until the date that influence ceased. When the Group's share of losses in an associate exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation
Intra-group balances and any unrealised gains and losses and income and expenses arising from intra-group transaction are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the Group's interest.

(c) Financial instruments

General
A final instrument is any contract that gives rise to a financial asset of one enterprise and financial liability or equity instrument of another enterprise.

For the purposes of the financial statements, financial assets have been determined to include cash and cash equivalents, loans and notes receivable, other receivables, payables, securities purchased under agreements to resell and investments. Financial liabilities comprises bank overdraft, securities sold under agreements to repurchase, accounts payable, notes payable, loans payable and redeemable preference shares. Information relating to fair values and financial instruments risks is summarized below.

Financial instrument are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Jamaica Money Market Brokers Limited

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2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

A financial instrument is recognised if the Group becomes a party to the contractual provision of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfer the financial assets to another party without retaining control or substantially all risk and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by quoted market price, if one exists. Where quoted market prices are not available, the fair value of these instruments has been determined using a generally accepted alternative method. However, considerable judgement is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts that the Group would receive on realisation of its financial assets or pay to settle its financial liabilities.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

Financial Instrument	**Method**
Cash and cash equivalents, loans and notes receivable, other receivables, resale agreements, accounts payable, repurchase agreements	Considered to approximate their carrying values, due to their short-term nature
Quoted equities	Quoted market bid prices.
Units in unit trusts	Prices quoted by unit trust managers
Non-Jamaican sovereign bonds and corporate bonds	Estimated using bid-prices published by major overseas brokers.
Government of Jamaica securities and Bank of Jamaica certificates of deposits:	
Traded overseas	Estimated using bid-prices published by major overseas brokers.
Other	Estimated by discounting future cash flows using reporting date yields of similar instruments.
Interest in money market fund	Considered to be the carrying value because of the short-term nature and variable interest rate.
Notes and loans payable	Considered to be carrying value as the coupon rate approximates the market rate.

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(i) Cash and cash equivalents

Cash comprises cash in hand, demand and call deposits with banks and very short-term balances with other brokers/dealers. Cash equivalents are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), which are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are carried at cost.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Investments

Available-for-sale financial assets

The Group's investments in equity securities and certain debt securities are classified as available-for-sale and are carried at fair value except for unquoted equity securities whose fair value cannot be reliably measured, which are carried at cost. Changes therein, other than impairment losses [Note 2(i)], and foreign exchange gains and losses on available-for-sale monetary items [see note 2(f)], are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit and loss account.

Investments at fair value through profit or loss

The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term.

Loans and receivables are measured at amortised cost using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

(iii) Resale and repurchase agreements

Transactions involving purchases of securities under resale agreements ("resale agreements' or reverse repos') or sales of securities under repurchase agreements ('repurchase agreements' or 'repos) are accounted for as short-term collateralised lending and borrowing, respectively. Accordingly, securities sold under repurchase agreements remain on the statement of financial position and are measured in accordance with their original measurement principles. The proceeds of sale are reported as liabilities and are carried at amortised cost. Securities purchased under resale agreements are reported not as purchases of the securities, but as receivables and are carried in the statement of financial position at amortised cost. It is the policy of the Group to obtain possession of collateral with a market value in excess of the principal amount loaned under resale agreements.

Interest earned on resale agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense, respectively, over the life of each agreement using the effective interest method.

2. Summary of Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

(iv) Loans and notes receivable and other receivables
Loans and notes receivable and other receivables are stated at amortised cost less impairment provisions.

(v) Account payable
Accounts payable are stated at their amortised cost.

(vi) Interest-bearing borrowings
Interest-bearing borrowings [other than repos, which are described in [Note 2(c) (iii)] are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs, with any difference between cost and redemption being recognised in the profit or loss over the period of the borrowings on an effective yield basis.

(d) Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. 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 future economic benefits embodied within the part flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the profit or loss.

Property, plant and equipment, with the exception of freehold land and paintings, on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	2½%
Leasehold improvements	The shorter of the estimated useful life and the period of the lease
Motor vehicles	20%
Computer equipment	25%
Other equipment, furniture and fittings	10%

The depreciation method, useful lives and residual values are reassessed at each reporting date.

(e) Intangible assets

(i) Computer software
Computer software is carried at cost, less accumulated amortisation and impairment losses. Amortisation is charged on the straight-line basis over the useful lives of the assets at a rate of 25% per annum, from the date it is available for use.

(ii) Goodwill
Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

2. Summary of Significant Accounting Policies (Continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. These rates represent the weighted average rates at which the company trades in foreign currency.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in stockholders' equity.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in stockholders' equity.

(g) Share capital

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary. Dividends thereon are recognised as interest in profit or loss.

The Group's redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liability.

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

2. Summary of Significant Accounting Policies (Continued)

(h) Taxation

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

(i) Current income tax

Current income 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 income tax payable in respect of previous years.

(ii) Deferred income tax

Deferred income tax is provided 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 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.

(i) Impairment

The carrying amounts of the Group's assets, except for deferred tax 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 at each reporting 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 profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value less any impairment loss on that financial asset previously recognised in profit or loss account.

(i) Reversals of impairment

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

The recoverable amount of other assets is the greater of their fair value less cost to sell 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. Summary of Significant Accounting Policies (Continued)

(i) Impairment (continued)

(ii) Reversals of impairment

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

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss, but through equity. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in the profit or loss.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates 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.

(j) Membership share

Membership share is stated at cost less impairment provisions.

(k) Interest income and expense

Interest income and expense are recorded on the accrual basis. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. When financial assets become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount, which is the original effective interest rate of the instrument calculated at the acquisition or origination date.

(l) Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, vacation leave; non-monetary benefits such as medical care; post-employments benefits such as pensions; and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-employment benefits are accounted for as described below. Other long-term benefits are not considered material and are charged off when incurred.

Pensions are the Group's only post-employment benefit. Pension fund costs included in the Group profit or loss represent contributions to the defined-contribution fund which the Group operates to provide retirement pensions for the Group's employees (Note 32). Contributions to the fund, made on the basis provided for in the rules, are accrued and charged off when due.

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2. Summary of Significant Accounting Policies (Continued)

(m) Operating leases

Payments made under operating leases are recognised in the profit or loss on the straight line basis over the terms of the leases.

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's format for segment reporting is based on geographical segments.

(o) Fees and commission income

Fees and commission income are recognised on the accrual basis when the service has been provided. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis. Asset management fees related to investment funds are recognised rateably over the period in which the service is provided. Performance linked fees or fee components are recognised when the performance criteria are fulfilled.

(p) Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the profit or loss as interest expense.

(r) Comparative information

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Use of estimates and judgements
The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets liabilities, contingent assets and continent 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 associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, the area of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, are as follows:

Key sources of estimation uncertainty

(i) Allowance for losses
In determining amounts recorded for allowance for losses 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 investments, notes receivable and other financial assets, for example, repayment default and adverse economic conditions. The specific counterparty of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the work out strategy and estimate of cash flows considered recoverable are independently approved by the Credit and Market Risk functions.

(ii) Fair value of financial instruments
In the absence of quoted market prices, the fair value of a significant proportion of the Group's financial instrument was determined using a generally accepted alternative method. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

It is possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(iii) Critical accounting judgements in applying the Group's accounting policies
The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as ''trading'', the Group has determined that they meet the description of trading assets and liabilities set out in accounting policy 2 (c)(ii).
- In designating financial assets and liabilities at fair value through profit and loss, the Group has determined that they have met one of the criteria for this designation set out in accounting policy 2(c)(ii).

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4. Segment Reporting

Segment information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and assets are based on geographical location of assets. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

The Group has three geographical segments, namely Jamaica, St. Lucia and other.

	The Group				
	Year ended 31 March 2010				
	Jamaica	**St. Lucia**	**Other**	**Eliminations**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
External revenues	12,996,398	1,714,938	149	-	14,711,485
Intersegment revenue	893,503			(893,503)	-
Total segment revenue	13,889,901	1,714,938	149	(893,503)	14,711,485
Segment results	1,325,555	(317,686)	(4,624)	(1,053)	1,002,192
Share of associated company profit					26,120
Profit before tax					1,028,312
Income tax expense					(41,934)
Profit for the year					986,378
Total segment assets	114,816,396	25,021,647	636,113	(17,498,786)	122,975,370
Total segment liabilities	105,067,190	27,371,261	559,011	(16,912,828)	116,084,634
Interest income	11,864,519	1,638,161	-	-	13,502,680
Operating expenses	1,950,494	153,861	4,773	-	2,109,128
Depreciation and amortisation	106,659	4,938	-	-	111,597
Capital expenditure	119,778	-	-	-	119,778

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4. Segment Reporting (Continued)

	The Group				
	Year ended 31 March 2009				
	Jamaica	St. Lucia	Other	Eliminations	Group
	$'000	$'000	$'000	$'000	$'000
External revenues	14,193,715	1,863,518	4,153	-	16,061,386
Intersegment revenue	5,915	822,069	-	(827,984)	-
Total segment revenue	14,199,630	2,685,587	4,153	(827,984)	16,061,386
Segment results	4,654,682	184,246	(24,059)	-	4,814,869
Impairment of financial assets					(3,624,437)
Share of associated company profit					354,096
Profit before tax					1,544,528
Income tax expense					(441,906)
Profit for the year					1,102,622
Total segment assets	106,428,866	23,712,798	584,718	(19,532,917)	111,193,465
Total segment liabilities	98,134,911	26,130,264	553,368	(18,951,892)	105,866,651
Interest income	10,578,342	1,891,293	4,153	-	12,473,788
Operating expenses	2,314,836	116,672	24,059	-	2,455,567
Depreciation and amortisation	125,942	5,487	-	-	131,429
Capital expenditure	166,118	70,101	-	-	236,219

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5. Net Interest Income

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Interest income				
Cash and cash equivalents	23,394	21,996	23,394	21,996
Loans and notes receivable	226,799	230,290	205,357	225,790
Resale agreements	1,234,057	872,612	1,234,057	872,612
Investment securities	12,018,430	11,348,890	11,277,843	10,273,469
Total interest income	13,502,680	12,473,788	12,740,651	11,393,867
Interest expense				
Repurchase agreements	10,815,185	10,601,810	9,829,925	9,867,195
Notes payable	89,985	178,243	89,985	178,243
Loans payable	366,156	17,156	364,672	11,549
Redeemable preference shares	328,839	323,201	328,839	323,201
Total interest expense	11,600,165	11,120,410	10,613,421	10,380,188
Net interest income	1,902,515	1,353,378	2,127,230	1,013,679
Total interest income on financial assets not at fair value through profit or loss	13,371,687	11,226,410	12,609,658	9,798,725

6. Staff Costs

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and benefits, including profit-related pay	809,342	980,569	703,133	878,834
Redundancy	-	57,658	-	49,702
Statutory contributions	66,430	83,150	63,878	78,929
Pension costs	31,367	32,150	28,810	30,361
Training and development	18,685	27,603	15,469	26,971
Staff welfare	83,792	79,535	83,012	79,442
	1,009,616	1,260,665	894,302	1,144,239

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7. Impairment Loss on Financial Assets

In the prior year, the impairment charge was for a provision on certain of the Group's investment portfolio.

8. Gain on Sale of Associated Companies

In prior year, the Group sold its 45% equity holding in the associated companies, Caribbean Money Market Brokers Limited, CMMB Barbados Limited and CMMB Securities Limited, for US$41,370,000. A gain of J$2,329,460 was realised from the sale and included in the profit or loss.

9. Profit before taxation

The following are among the items charged/(credited) in arriving at profit before taxation

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Depreciation and amortisation	111,597	131,429	104,115	125,942
Directors' emoluments-				
Fees	28,674	28,168	22,309	23,823
Management remuneration	31,293	27,800	31,293	27,800
Auditors' remuneration	16,800	16,863	8,900	8,900
Bad debts, less recoveries	23,441	4,892	23,441	4,892
Net (gains)/losses on financial assets classified at fair value through profit or loss	(37,449)	115,611	(28,751)	13,932

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10. Taxation

(a) Income tax is computed on the profit for the years adjusted for tax purposes. The charge for taxation comprises income tax at 33⅓%:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax	-	3,006	-	-
Deferred income tax (Note 23)	41,934	438,900	49,746	429,534
	41,934	441,906	49,746	429,534

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Profit before taxation	1,028,312	1,544,528	1,316,658	3,723,887
Tax calculated at 33⅓%	342,771	514,843	438,886	1,241,296
Adjusted for the effects of:				
Effect of taxation under different tax regime	-	(4,877)	-	-
Income not subject to tax	(363,167)	(739,441)	(363,086)	(739,277)
Disallowed expenses	9,018	32,689	8,860	32,513
Effect of lower tax rate on associated company share of profits	(8,706)	(104,998)	-	(104,998)
Adjustment to prior year estimate	62,018	743,690	(34,914)	-
	41,934	441,906	49,746	429,534

(c) At the balance sheet date, taxation losses, subject to agreement with the Commissioner of Taxpayer Audit and Assessment, available for set off against future taxable profits, amount to approximately $4,953,223,000 (2009: $3,148,918,000) for the Group and $1,532,201,000 (2009: $1,359,995,000) for the company.

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11. Earnings per Stock Unit

Earning per stock unit ('' EPS'') is computed by dividing the profit attributable to stockholders of the parent of $983,157,000 (2009: $1,097,082,000) by the number of ordinary stock units in issue during the year, numbering 1,463,386,752 (2009: 1,463,386,752).

12. Dividends

	The Group and The Company	
	2010	2009
	$'000	$'000
Final dividend in respect of 2009 @ 6.0 (2008: 12.0) cents per stock unit	87,803	175,606
Interim dividend in respect of 2009 @ 6.0 (2008: 12.0) cents per stock unit	87,803	160,973
	175,606	336,579

13. Cash and Cash Equivalents

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Cash	2,631,213	1,662,553	1,596,324	895,713
Cash equivalents	1,012,319	767,704	900,949	657,775
	3,643,532	2,430,257	2,497,273	1,553,488

Cash equivalents of the Group and company include $336,923,000 (2009: $310,817,000) held by an investment broker as security for funding provided on certain investment securities which is not available for immediate use. In addition, the Group also has restricted amount of $7,011,927 (2009:$6,638,197) deposited at an interest rate of 7.50% (2009: 7.50%) under an agreement with a building society which co-ordinates and administers a home ownership assistance programme on behalf of the Group for its employees.

14. Loans and Notes Receivable

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
J$ Promissory notes [0-26% (2009 : 0-22%)]	2,424,238	2,211,878	2,424,239	2,211,878
US$ Promissory notes and debenture 8:00% - 11.50% (2009: 8:00% - 11.85%)	994,814	1,075,238	667,569	755,111
GBP Promissory notes and debenture 8% - 10.00% (2009: 8:00% - 8.50%)	160	576	160	576
TT$ Promissory notes 14% (2009: 14%)	239,958	197,904	-	-
	3,659,170	3,485,596	3,091,968	2,967,565
Less: provision for impairment	(19,276)	(36,466)	(19,276)	(36,466)
	3,639,894	3,449,130	3,072,692	2,931,099

14. Loans and Notes Receivable (Continued)

Certain notes receivable are pledged as security for certain repurchase agreements (Note 26). Notes receivable include an interest-free revolving advance of $390,318,769 (2009:$216,000,000) to the trustees of the Group's Employee Share Ownership Plan (ESOP), the repayment date for which has not yet been fixed (see also Note 15).

15. Other Receivables

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Receivables from related parties	-	-	419,394	366,913
Other receivables	5,356,590	4,967,950	1,390,144	1,126,255
Due from managed fund	610,120	443,017	604,779	443,017
Staff loans	116,710	103,485	116,596	103,485
	6,083,420	5,514,452	2,530,913	2,039,670
Less: provision for impairment	(3,455,543)	(3,383,046)	(991,445)	(947,616)
	2,627,877	2,131,406	1,539,468	1,092,054

Other receivables of the Group and the company include the balance of $3,022,000 (2009: $96,491) on an interest free loan to the Group's ESOP. The date for repayment of the loan has not yet been fixed. The number of shares held by the ESOP at 31 March 2010 was 178,871,702 (2009:138,469,812).

16. Securities Purchased Under Agreements to Resell

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Denominated in Jamaica dollars	948,875	918,505	884,741	918,005
Denominated in United States dollars	1,524,665	536,650	15,370,245	16,927,155
Denominated in Euro	-	-	1,171,433	566,328
Denominated in Dominican Republic Pesos	-	-	832,480	1,138,612
	2,473,540	1,455,155	18,258,899	19,550,100

Resale agreements include balances with related parties as set out in Note 29. All resale agreements mature within twelve months after the balance sheet date.

The securities that the Group obtains as collateral under resale agreements may be used as collateral under repurchase agreements. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 26).

At the reporting date, the fair value of the securities obtained and held under resale agreements was $19,548,265,000 (2009: $19,682,612,000) for the Group and company.

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17. Investments

	The Group		The Company	
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**
Loans and receivables				
Certificate of deposits	8,293,742	5,274,527	8,208,642	5,258,696
Government of Jamaica securities	35,771,970	35,354,873	26,991,375	26,755,854
Corporate:				
Sovereign	9,924,801	5,637,106	5,783,683	5,637,106
Other	7,696,947	13,256,117	7,696,947	8,745,197
	61,687,460	59,522,623	48,680,647	46,396,853
Available-for-sale securities:				
Government of Jamaica securities	33,458,838	27,278,026	33,458,838	27,278,026
Sovereign bond	8,545,609	7,476,480	-	-
Quoted securities	756,582	606,455	669,979	606,455
Units in unit trusts	163,440	95,194	163,440	95,194
Money Market Funds	268,401	273,941	268,401	273,941
Other	7,205	36,875	-	36,875
	43,200,075	35,766,971	34,560,658	28,290,491
Fair value through profit and loss				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Quoted securities	-	40,741	-	-
	-	1,256,697	-	1,215,956
	104,887,535	96,546,191	83,241,305	75,903,300
Less: provision for impairment losses	-	(285,329)	-	(285,329)
	104,887,535	96,260,862	83,241,305	75,617,971

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17. Investments (Continued)

Provision for impairment

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Balance as 1 April	285,329	3,638	285,329	3,638
Charge for the year	-	281,691	-	281,691
Write-offs	(285,329)	-	(285,329)	-
Balance as 31 March	-	285,329	-	285,329

Investments mature, from the balance sheet date, as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica securities				
Within 3 months	469,405	234,863	469,405	234,863
From 3 months to 1 year	66,349	6,980,671	66,349	6,980,671
From 1 year to 5 years	21,763,975	17,551,956	18,193,468	14,011,866
Over 5 years	46,931,079	39,106,157	41,720,991	34,047,228
	69,230,808	63,873,647	60,450,213	55,274,628
Certificate of deposits				
Within 3 months	7,293,742	2,028,308	7,208,642	2,028,308
From 3 months to 1 year	1,000,000	3,246,219	1,000,000	3,230,388
	8,293,742	5,274,527	8,208,642	5,258,696
Sovereign bonds and corporate bonds:				
Within 3 months	-	41,731	-	-
From 3 months to 1 year	-	391,290	-	391,290
From 1 year to 5 years	3,707,720	2,360,518	460,902	264,148
Over 5 years	22,459,637	23,564,562	13,019,728	13,726,864
	26,167,357	26,358,101	13,480,630	14,382,302
Other [see (c) below]	1,195,628	754,587	1,101,820	702,345
	104,887,535	96,260,862	83,241,305	75,617,971

(a) Government of Jamaica securities and certain other bonds are pledged as security for repurchase agreements (Note 26) and loans payable (Note 28).

(b) Government of Jamaica securities having an aggregate face value of $275,000,000 (2009: $408,500,000) have been pledged as collateral against possible overdrafts at the Central Bank and against uncleared effects at one of the company's bankers.

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17. Investment (Continued)

(c) Other includes quoted equities, unit trusts and interest pooled money market fund for which there are no fixed maturity dates.

18. Membership Share

This represents one qualifying share held in the Jamaica Stock Exchange Limited ("JSE"), at cost. The qualifying share entitles JMMB Securities Limited to operate as a broker/dealer and be a member of the Council of the JSE. Under the JSE's constitution, its members are not entitled to dividends from JSE, and are not entitled to its residual assets or the assets of the Compensation Fund, upon a winding up or liquidation, as the assets would be required to be used for development of the securities market in Jamaica.

19. Interest in Subsidiary

	The Company	
	2010 **$'000**	**2009** **$'000**
JMMB Securities Limited		
Shares, at cost – equity	26,050	26,050
– preference	79,000	79,000
Subordinated loan	8,000	8,000
	113,050	113,050
JMMB Insurance Brokers Limited		
Shares, at cost - equity	105,000	95,000
Jamaica Money Marker Brokers (Trinidad and Tobago) Limited		
Shares, at cost – equity	-	-
Loan	336,765	336,765
JMMB International Limited		
Shares, at cost – equity	500,000	500,000
JMMB Real Estate Holdings Limited		
Shares, at cost – equity	1	1
JMMB Holdings Limited		
Shares, at cost - equity	9	-
Loan	98,665	-
	98,674	-
	1,153,490	1,044,816

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20. Interest in Associated Companies

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Shares, at cost	331,042	331,042	-	-
Shares of post-acquisition profits	165,985	139,865	-	-
Share of investment revaluation reserve	(25,977)	(44,877)	-	-
Cumulative translation reserve	160,882	158,688	-	-
	631,932	584,718	-	-

The summarized financial information for the associates are as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Assets	17,458,048	13,648,150	-	-
Liabilities	16,188,235	12,462,842	-	-
Revenue	908,844	822,707	-	-
Profit	52,240	88,956	-	-

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21. Intangible Assets

	Group		
	Computer Software $'000	**Goodwill $'000**	**Total $'000**
Deemed Cost -			
At 31 March 2008	317,778	6,174	323,952
Transfer from WIP	6,223	-	6,223
Additions	30,258	9,064	39,322
Adjustment	(451)	1,506	1,055
At 31 March 2009	353,808	16,744	370,552
Additions	15,365	-	15,365
Adjustment	90	-	90
At 31 March 2010	369,263	16,744	386,007
Accumulated amortization -			
At 31 March 2008	241,335	-	241,335
Charge for the year	39,243	-	39,243
Adjustment	(6,431)	-	(6,431)
At 31 March 2009	274,147	-	274,147
Charge for the year	28,348	-	28,348
At 31 March 2010	302,495	-	302,495
Net Book Value -			
31 March 2010	66,768	16,744	83,512
31 March 2009	79,661	16,744	96,405
31 March 2008	76,443	6,174	82,617

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21. Intangible Assets (Continued)

The Company

	Group	
	Computer Software $'000	**Total $'000**
Deemed Cost -		
At 31 March 2008	291,529	291,529
Additions	36,481	36,481
Adjustment	(451)	(451)
At 31 March 2009	327,559	327,559
Additions	15,365	15,365
At 31 March 2010	342,924	342,924
Accumulated amortization -		
At 31 March 2008	219,672	219,672
Charge for the year	37,738	37,738
Adjustment	(5,730)	(5,730)
At 31 March 2009	251,680	251,680
Charge for the year	26,255	26,255
At 31 March 2010	277,935	277,935
Net Book Value -		
31 March 2010	64,989	64,989
31 March 2009	75,879	75,879
31 March 2008	71,857	71,857

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22. Property, Plant and Equipment

The Group

	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
				The Group		
Cost						
At 31 March 2008	656,239	81,477	69,029	234,780	200,923	1,242,448
Additions	106,712	-	-	27,929	38,226	172,867
Transfer from WIP	26,871	-	-	-	-	26,871
Disposals	-	-	(5,218)	(101)	(215)	(5,534)
Adjustment	(179)	-	(3,490)	(267)	(56)	(3,992)
Translation difference	-	1,540	255	196	937	2,928
At 31 March 2009	789,643	83,017	60,576	262,537	239,815	1,435,588
Additions	62,950	5,689	5,150	16,954	13,579	104,322
Disposals	(8,501)	-	(7,442)	(123)	-	(16,066)
At 31 March 2010	844,092	88,706	58,284	279,368	253,394	1,523,844
Accumulated Depreciation						
At 31 March 2008	27,575	54,979	39,331	156,277	80,886	359,048
Charge for the year	9,995	10,624	9,985	40,566	21,016	92,186
Disposals	-	-	(2,300)	(6)	(41)	(2,347)
Adjustment	(3,330)	111	(1,502)	(3,875)	(783)	(9,379)
At 31 March 2009	34,240	65,714	45,514	192,962	101,078	439,508
Charge for the year	10,465	5,144	6,988	38,582	22,070	83,249
Disposals	(637)	-	(6,078)	(123)	-	(6,838)
Adjustment	-	25	6	68	21	120
At 31 March 2010	44,068	70,883	46,430	231,489	123,169	516,039
Net Book Value						
At 31 March 2010	800,024	17,823	11,854	47,879	130,225	1,007,805
At 31 March 2009	755,403	17,303	15,062	69,575	138,737	996,080
At 31 March 2008	628,664	26,498	29,698	78,503	120,037	883,400

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22. Property, Plant and Equipment (Continued)

The Company

	Freehold Land and Buildings	Leasehold Improvement	Motor Vehicles	Computer Equipment	Equipment, Furniture and Fittings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 31 March 2008	656,239	67,092	66,658	231,719	189,526	1,211,234
Additions	32,541	-	-	27,378	37,568	97,487
Transfer from WIP	26,871	-	-	-	-	26,871
Disposals	-	-	(5,218)	(101)	-	(5,319)
Adjustment	(179)	-	(3,490)	(268)	(56)	(3,993)
At 31 March 2009	715,472	67,092	57,950	258,728	227,038	1,326,280
Additions	32,976	5,266	-	16,740	12,737	67,719
Disposals	(8,500)	-	(4,807)	(123)	-	(13,430)
At 31 March 2010	739,948	72,358	53,143	275,345	239,775	1,380,569
Accumulated depreciation						
At 31 March 2008	27,576	53,599	38,408	146,076	78,756	344,415
Charge for the year	9,995	9,574	9,523	39,512	19,600	88,204
Disposals	-	-	(2,300)	(6)	-	(2,306)
Adjustment	(3,330)	(91)	(1,615)	(4,711)	(962)	(10,709)
At 31 March 2009	34,241	63,082	44,016	180,871	97,394	419,604
Charge for the year	10,465	3,502	5,995	37,194	20,704	77,860
Disposals	(638)	-	(4,580)	(123)	-	(5,341)
At 31 March 2010	44,068	66,584	45,431	217,942	118,098	492,123
Net book value						
At 31 March 2010	695,880	5,774	7,712	57,403	121,677	888,446
At 31 March 2009	681,231	4,010	13,934	77,857	129,644	906,676
At 31 March 2008	628,663	13,493	28,250	85,643	110,770	866,819

23. Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same fiscal authority on either the taxable entity or different taxable entity where there is an intention to settle the balances on the net basis.

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 33⅓%.

Deferred tax assets and liabilities recognised on the balance sheet are as follows:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Deferred income tax assets	26,150	20,787	-	-
Deferred income tax liabilities	(278,902)	(120,706)	(278,902)	(119,045)
Net deferred income tax liabilities	(252,752)	(99,919)	(278,902)	(119,045)

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23. Deferred Income Taxes (Continued)

The movement in the net deferred income tax balance is as follows:

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year (liabilities)/assets	(99,919)	127,107	(119,045)	111,746
Charged to profit or loss (Note 10)	(41,934)	(438,900)	(49,746)	(429,534)
(Charged)/credited to stockholders' equity	(110,899)	211,874	(110,111)	198,743
Balance at end of year	(252,752)	(99,919)	(278,902)	(119,045)

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

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets -				
Investments	786,747	743,863	787,055	737,777
Payables	4,124	16,983	4,109	16,983
Interest payable	469,650	477,138	469,650	477,138
Tax losses carried forward	525,608	293,034	497,432	272,195
	1,786,129	1,531,018	1,758,246	1,504,093
Deferred income tax liabilities -				
Unrealised foreign exchange gains	1,298,486	873,533	1,298,288	869,418
Property, plant and equipment	22,810	25,758	22,639	24,112
Accounts receivable	1,364	2,038	-	-
Interest receivable	716,221	729,608	716,221	729,608
	2,038,881	1,630,937	2,037,148	1,623,138
Net deferred income tax liabilities	(252,752)	(99,919)	(278,902)	(119,045)

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24. Share Capital

	2010	2009
	Number of Shares 000	Number of Shares 000
Authorised:		
Ordinary stock units of no par value	1,566,400	1,566,400
12.25% cumulative redeemable preference shares of no par value	783,776	783,776
12% cumulative redeemable preference shares of no par value	70,776	70,776
12.15% cumulative redeemable preference shares of no par value	47,328	47,328
	2,468,280	2,468,280

	2010 $'000	2009 $'000
Stated capital:		
1,463,386,752 (2009: 1,463,386,752) ordinary stock units	365,847	365,847
783,776,000 (2009: 783,776,000) 12.25% cumulative redeemable preference shares	2,312,139	2,312,139
70,766,000 (2009: 70,766,000) 12% cumulative redeemable preference shares stock units	212,298	212,298
47,328,000 (2009: 47,328,000)12.15% cumulative redeemable preference stock units	165,648	165,648
	3,055,932	3,055,932
Less redeemable preference stock units required by IFRS to be accounted for as liabilities in the financial statements	(2,690,085)	(2,690,085)
	365,847	365,847

The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per share at Annual General meetings of the company.

The significant terms and conditions of the preference stock units are as follows:

(i) The right to a cumulative preferential dividend payable monthly at the rate agreed for each class;

(ii) The right, on winding up, to receive all arrears of dividend and repayment of the capital in priority to the ordinary shareholders;

(iii) No right to vote except where dividends are not paid for twelve months or on winding up of the company.

25. Other Reserves

This represents transfer of 5% of liquid profit of a subsidiary to a non distributable reserve until this reserve equals 10% of the subsidiary's capital stock.

26. Securities Sold Under Agreements to Repurchase

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Denominated in Jamaica dollars	39,505,765	36,338,032	39,590,417	36,338,032
Denominated in United States dollars	56,015,144	47,681,478	47,946,186	42,896,809
Denominated in Pound Sterling	2,072,772	1,552,301	2,072,772	1,552,301
Denominated in Euro	4,165,823	4,195,218	1,660,487	1,540,809
Denominated in Dominican Republic Peso	591,648	83,655	-	-
Denominated in Canadian dollars	493,833	260,314	493,833	260,314
	102,844,985	90,110,998	91,763,695	82,588,265

Repurchase agreements are collateralized by certain securities and other instruments held by the Group and the company with a carrying value of $105,091,641,000 (2009:$94,510,310,472) and $97,677,696,000 (2009:$88,077,139,941) respectively (Notes 14, 16 and 17).

Repurchase agreements include balances with related parties as set out in Note 29. Certain of these securities and interest accrued thereon are pledged as security for repurchase agreements (Note 16).

27. Notes Payable

	The Group		The Company	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
(i) 8.25% US$ 12,500,000 promissory note	561,110	883,500	561,110	883,500
(ii) 12.00% TT$14,000,000 commercial paper promissory note	87,540	197,904	-	-
	648,650	1,081,404	561,110	883,500

(i) This note is unsecured and the entire amount is repayable on 30 November 2010. Interest is paid semi-annually, and may be varied at the option of the promisee, in consultation with the promissor, provided that the rate does not exceed the Central Bank of Trinidad and Tobago's 90-day Treasury bill rate.

(ii) This note is unsecured and the entire amount is repayable by 5 October 2010.

28. Loans Payable

Loans payable for the Group and the company comprise the following:

(i) US$Nil (2009: US$465,495) on an instalment loan, the principal of which is repayable in twenty equal quarterly instalments of US$235,000. The loan bears interest at a fixed rate of 6.5% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan. This amount was repaid during the financial year.

(ii) US$Nil (2009: US$251,080) amortised loan repayable at US$10,058 per month, over five years. This was secured by property owned by the company (Note 22). This amount was repaid during the financial year.

(iii) US$78,800,000 (2009: US$103,972,854) loan that bears interest at a fixed rate of 4% per annum. Certain GOJ securities owned by the company are pledged as collateral for this loan.

The amount due within twelve months of the balance sheet date is US$78,800,000 (2009: US$104,689,000).

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29. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include ultimate parent company, parent company, fellow subsidiaries and associated company. Related parties include directors, key management and companies for which the Group provides management services.

(i) The balance sheet includes balances, arising in the normal course of business, with related parties, as follows:

	The Group		The Company	
	2010 **$'000**	**2009** **$'000**	**2010** **$'000**	**2009** **$'000**
Directors				
Notes receivable	19,487	36,117	19,487	36,117
Interest payable	(1,807)	(4,461)	(1,807)	(4,461)
Repurchase agreements	(140,533)	(200,122)	(140,533)	(200,122)
Major Shareholders -				
Notes receivable	480,089	379,561	480,089	379,561
Interest payable	(1,211)	(8,318)	(1,211)	(8,318)
Repurchase agreements	(88,113)	(191)	(88,113)	(191)
Subsidiaries -				
Resale agreements	-	-	17,082,160	18,095,445
Other receivables	-	-	-	362,038
Interest receivable	-	-	4,179	8,182

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29. Related Party Transactions and Balances (Continued)

(ii) The income statement includes the following income earned from, and expenses incurred in, transactions with related parties, in the ordinary course of business:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Directors				
Interest income	6,858	685	6,858	685
Interest expense	(15,478)	(13,015)	(15,478)	(13,015)
Major Shareholders -				
Interest income	23,372	2,144	23,372	2,144
Interest expense	(873)	(1,081)	(873)	(1,081)
Subsidiaries -				
Interest income	-	-	983,313	258,108

(iii) Key management compensation includes directors, senior management of the company and company secretary. The compensation paid or payable to key management for employee services is as shown below:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Short-term employee benefits including directors fees (Note 9)	116,830	136,536	116,830	136,536
Post-employment benefits	6,818	5,055	6,818	5,055
	123,648	141,591	123,648	141,591

30. Financial Risk Management

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

(a) Introduction and overview

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework
The risks are managed through an established risk management framework for the Group, which involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

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

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board has established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee
The Risk Management Committee is a Board Committee responsible for the supervision of the overall risk management functions of the Group. The committee decides the policy and strategy for integrated risk management of the various risk exposures of the Group.

(ii) Board Credit Committee
The Board Credit Committee is responsible for approving all credit requests above a specified threshold and ensuring that all lending facilities conform to standards agreed by the Board and embodied in Credit Risk Policy. The committee is ultimately responsible for determining the composition and management of the credit portfolio and has available a number of measures it can employ in this respect including the making of specific and general provisions against actual or potential bad debts. The committee is supported in its work by the Management Credit Committee.

30. Financial Risk Management (Continued))

(a) Introduction and overview (continued)

(iii) Audit Committee

The Audit Committee monitors the quality of the Group's internal controls and compliance with regulatory requirements. The Audit Committee is assisted in its oversight role by the Internal Audit Function and the Risk Management and Compliance Units. Internal Audit undertakes both regular and ad hoc reviews of the risk management controls and procedures, the results of which are reported quarterly to the Audit Committee.

The management of the specific aspects of operational risk, such as fraud, is also within the purview of the Audit Committee.

(iv) Investment Committee

The Investment Committee is a senior management level committee responsible for the management of market risks. The committee monitors the composition of assets and liabilities, evaluates potential market risk involved in launching new products, reviews and articulates funding policy and decides optimal ways of managing the Group's liquidity.

(b) Credit risk

The Group assumes credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally in lending and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty, or groups of related counterparties and to geographical and industry segments.

Credit review process

The Group has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and capital repayment obligations.

30. Financial Risk Management (Continued))

(b) Credit risk (continued)

(i) Loans and notes receivable

The Group assesses the probability of default of individual counterparties using internal ratings. Clients of the Group are segmented into rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class.

Group's internal rating scale:

Rating grades	Description of the grade
1	Excellent
2	Good credit
3	Average credit
4	Acceptable
5	Marginal
6	Substandard
7	Doubtful

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

Loan and notes receivable that are cash secured are not included in a credit classification, based on the Group's rating grades.

(ii) Investments and resale agreements

The Group limits its exposure to credit risk by investing in liquid securities, with counterparties that have high credit quality. As a consequence, management's expectation of default is low.

The Group has documented investment policies which facilitate the management of credit risk on investment securities and resale agreements. The Group's exposure and the credit ratings of its counterparties are continually monitored.

(iii) Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the Credit and Risk Management Committees.

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

Notes receivable – Cash and other near cash securities, mortgages over commercial and residential properties, charges over general business assets such as premises, equipment, inventory, accounts receivable, marketable securities and motor vehicles.

Resale agreements – Government of Jamaica securities and Bank of Jamaica securities. The collateral obtained (including accrued interest) is at least 100% of the sum of the principal value of the resale agreement plus interest to be earned.

Management monitors the market value of collateral held and requests additional collateral in accordance with the underlying agreement and monitors the market value of collateral held.

Impairment
The main considerations for the loans and notes receivable impairment assessment include arrears of principal, or interest overdue by more than 90 days, or whether are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract.

The Group addresses impairment assessment by reviewing all loans and notes receivable with risk ratings of 5 and above.

Individually assessed allowances are provided for financial assets based on a review conducted at least annually, or more regularly, when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the reporting date on a case-by-case basis, and are applied to all accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The internal rating tool assists management to determine whether objective evidence of impairment exists, based on the following criteria set out by the Group:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (e.g. equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower’s competitive position; and
- Deterioration in the value of collateral.

30. Financial Risk Management (Continued))

(b) Credit risk (continued)

Impairment (continued)

Maximum exposure to credit risk before collateral held or other credit enhancements

	Maximum exposure			
	The Group		**The Company**	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Credit risk exposures relating to carrying amounts are as follows:				
Cash and cash equivalents	3,643,532	2,430,257	2,497,273	1,553,488
Investment securities	104,887,535	96,260,862	83,241,305	75,617,971
Loans and notes receivable	3,639,894	3,449,130	3,072,692	2,931,099
Securities purchased under agreements to resell	2,473,540	1,455,155	18,258,899	19,550,100
Interest in associated companies	631,932	584,718	-	-
Other receivable, net of provision	2,627,877	2,131,406	1,539,468	1,092,054
	117,904,310	106,311,528	108,609,637	100,744,712
Credit risk exposures relating to off balance sheet items are as follows:				
Loan commitments	43,304	26,000	43,304	26,000
Guarantees and letters of credit	16,361	70,000	16,361	70,000
	59,665	96,000	59,665	96,000

The above table represents a worst-case scenario of credit risk exposure to the Group and company at 31 March 2010 and 2009, without taking account of any collateral held or other credit enhancements. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

Loans and notes receivable, other receivables and investment securities

(i) Financial assets – individually impaired
Financial assets that are individually impaired before taking into consideration the cash flows from collateral held are as follows:

	The Group and Company	
	2010	**2009**
	$'000	**$'000**
Investments	-	-
Loans and notes receivable	313,895	44,074

(ii) Full provision has been made for financial assets that are individually impaired.

The fair value of the collateral that the Group and company held as security for individually impaired investment and loans and notes receivable was $Nil (2009: $Nil).

There are no financial assets other than loans and notes receivable and other receivables that were individually impaired.

(iii) Financial assets that are past due but not impaired amount to $625,152,000 (2009: $419,600,000) for the Group and company.

(iv) During the year, the Group renegotiated credit to the value of $272,336,000 and had repossessed collateral of $5,000,000.

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

(v) The Group and company monitor concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the balance sheet date is shown below:

The Group

	2010				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501
Concentration by sector					
Government of Jamaica	-	-	-	73,371,926	73,371,926
Sovereign bonds	-	-	-	5,783,683	5,783,683
Bank of Jamaica	-	-	-	8,208,642	8,208,642
Corporate	-	567,202	2,473,540	7,696,947	10,737,689
Financial institutions	3,643,532	-	-	5,902,104	9,545,636
Retails	-	3,072,692	-	3,924,233	6,996,925
	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501
Concentration by location					
Jamaica	1,754,517	3,291,898	2,473,540	90,465,938	97,985,893
North America	946,444	-	-	1,985,651	2,932,095
Trinidad	6,477	239,957	-	-	246,434
Other	936,094	108,039	-	12,435,946	13,480,079
	3,643,532	3,639,894	2,473,540	104,887,535	114,644,501

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30. Financial Risk Management (Continued)

(b) Credit risk (continued)

The Group

	2009				
	Cash and cash equivalents	**Loans and notes receivable**	**Resale agreements**	**Investments**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Carrying amounts	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404
Concentration by sector					
Government of Jamaica	-	-	-	68,078,646	68,078,646
Sovereign bonds	-	-	-	8,039,766	8,039,766
Bank of Jamaica	-	-	-	5,258,696	5,258,696
Corporate	-	518,031	1,037,689	10,393,924	11,949,644
Financial institutions	2,430,257	-	-	4,489,830	6,920,087
Retails	-	2,931,099	417,466	-	3,348,565
	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404
Concentration by location					
Jamaica	1,336,789	3,251,226	1,455,155	82,854,689	88,897,859
North America	777,265	-	-	5,366,407	6,143,672
Trinidad	5,299	197,904	-	-	203,203
Other	310,904	-	-	8,039,766	8,350,670
	2,430,257	3,449,130	1,455,155	96,260,862	103,595,404

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30. Financial Risk Management (Continued))

(b) Credit risk (continued)

The Company

	2010				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169
Concentration by sector					
Government of Jamaica	-	-	-	60,450,213	60,450,213
Sovereign bonds	-	-	-	5,783,683	5,783,683
Bank of Jamaica	-	-	-	8,208,642	8,208,642
Corporate	-	-	17,187,132	7,696,947	24,884,079
Financial institutions	2,497,273	-	673,169	1,101,820	4,272,262
Retails	-	3,072,692	398,598	-	3,471,290
	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169
Concentration by location					
Jamaica	1,590,874	3,072,692	17,426,419	77,457,622	99,547,607
North America	901,460	-	-	-	901,460
Trinidad	4,939	-	-	-	4,939
Other	-	-	832,480	5,783,683	6,616,163
	2,497,273	3,072,692	18,258,899	83,241,305	107,070,169

	2009				
	Cash and cash equivalents	Loans and notes receivable	Resale agreements	Investments	Total
	$'000	$'000	$'000	$'000	$'000
Carrying amounts	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658
Concentration by sector					
Government of Jamaica	-	-	-	55,249,836	55,249,836
Sovereign bonds	-	-	-	5,637,106	5,637,106
Bank of Jamaica	-	-	-	5,258,696	5,258,696
Corporate	-	-	17,994,022	8,745,196	26,739,218
Financial institutions	1,553,488	-	1,104,778	727,137	3,385,403
Retails	-	2,931,099	451,300	-	3,382,399
	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658
Concentration by location					
Jamaica	1,167,936	2,931,099	18,411,498	69,980,865	92,491,398
North America	381,774	-	-	-	381,774
Trinidad	3,778	-	-	-	3,778
Other	-	-	1,138,602	5,637,106	6,775,708
	1,553,488	2,931,099	19,550,100	75,617,971	99,652,658

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30. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Group is exposed to daily calls on its available cash resources from overnight placement of funds, maturing placement of funds and loan draw-downs. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of investment of maturing funds can be predicted with a high level of certainty.

The Group's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group, includes:

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

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

(iii) Optimising cash returns on investments;

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

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

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30. Financial Risk Management (Continued))

(c) Liquidity risk (continued)

The tables below present the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's and the company's financial liabilities.

	2010				
	The Group				
	Within 3 Months	3 to 12 Months	1-5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	-	648,650	-	648,650	648,650
Loans payable	-	7,043,932	-	7,043,932	7,043,932
Securities sold under agreements to repurchase	80,533,083	22,304,206	7,696	102,844,985	102,944,985
Redeemable preference shares	-	2,690,085	-	2,690,085	2,690,085
Payables	511,044	-	-	511,044	511,044
	81,044,127	32,686,873	7,696	113,738,696	113,738,696

	2009				
	The Group				
	Within 3 Months	3 to 12 Months	1-5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	-	1,081,404	-	1,081,404	1,081,404
Loans payable	553,329	8,684,462	11,520	9,249,311	9,249,311
Securities sold under agreements to repurchase	68,234,502	21,875,760	736	90,110,998	90,110,998
Redeemable preference shares	82,210	246,629	2,361,246	2,690,085	2,690,085
Payables	515,801	-	-	515,801	515,801
	69,385,842	31,888,255	2,373,502	103,647,599	103,647,599

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30. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Residual contractual maturities of financial liabilities (continued)

	2010				
	The Company				
	Within 3 Months	3 to 12 Months	1-5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	-	561,110	-	561,110	561,110
Loans payable	-	7,043,932	-	7,043,932	7,043,932
Securities sold under agreements to repurchase	69,536,434	22,219,565	7,696	91,763,695	91,763,695
Redeemable preference shares	-	2,690,085	-	2,690,085	2,690,085
Payables	245,881	-	-	245,881	245,881
	69,782,315	32,514,692	7,696	102,304,703	102,304,703

	2009				
	The Company				
	Within 3 Months	3 to 12 Months	1-5 Years	Contractual Cash Flow	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
Financial Liabilities					
Notes payable	-	883,500	-	883,500	883,500
Loans payable	553,329	8,684,462	11,520	9,249,311	9,249,311
Securities sold under agreements to repurchase	60,795,154	21,792,375	736	82,588,265	82,588,265
Redeemable preference shares	82,210	246,629	2,361,246	2,690,085	2,690,085
Payables	277,667	-	-	277,667	277,667
	61,708,360	31,606,966	2,373,502	95,688,828	95,688,828

30. Financial Risk Management (Continued)

(d) Market risk

The Group assumes market risks, which are the changes in market prices, such as interest rates, equity prices, foreign exchange rates and commodity prices, that will affect the Group's income or value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return on risk.

The overall responsibility for market risk management is vested in the Board Risk Management Committee. The Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by the Board Risk Management Committee) and for the day-to-day review of their implementation.

The principal tool used to measure and control market risk exposures within the Group is Value at Risk (VaR). The VaR of a portfolio is the estimated loss that will arise on the portfolio over a specified period of time (the holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Group is based on a 99 percent confidence level and assumes a 10 day holding period. The VaR model used is based mainly on the Monte Carlo simulation model. Taking account of market data from the previous year and observed relationships between differences in market prices, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10 day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a reasonable assumption, but may not be the case in situations in which there are severe market illiquidity for a prolonged period;
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used, there is a one percent probability that losses could exceed the VaR;
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on position during the trading day;
- The use of historical data to determine the relationships between different market prices may not cover all possible scenarios, as these relationships may break down in times of market stress;
- The VaR Measure is dependent on the Group's positions and volatility of market prices. The VaR of an unchanged position reduces if the market prices volatility declines and vice-versa.

The Group uses VaR limits for its overall portfolio and for sub-portfolios. The overall structure of VaR limits is subject to review and approval by the Board Risk Management Committee. VaR is measured at least once daily. Daily reports of utilization of VaR limits are prepared by the Risk department and regular summaries submitted to the Board Risk Management Committee.

A summary of the VaR position of the Group's overall portfolio as at 31 March 2010 and during the year is as follows:

	31 March	Average for Year	Maximum during Year	Minimum during Year
	$'000	$'000	$'000	$'000
2010 Overall VaR	2,680,825	1,992,769	4,779,341	1,109,495
2009 Overall VaR	1,423,205	1,892,823	5,713,193	312,881

The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration of risks within the portfolio.

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies that give rise to the net currency gains and losses recognized during the year. Such exposures comprise the assets and liabilities of the Group that are not denominated in its functional currency. The Group ensures that the risk is kept to an acceptable level by monitoring its value at risk exposure.

At the balance sheet date, the Jamaica dollar equivalents of net foreign currency assets/(liabilities) were as follows:

	The Group		The Company		Exchange rates	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**		
United States dollars	6,952,944	15,443,562	6,952,944	15,443,562	89.39	88.35
Great Britain pounds	(22,068)	(898,503)	(22,068)	(898,503)	133.53	126.89
Euros	(157,674)	1,033,732	(188,979)	520,667	119.81	116.50
Trinidad and Tobago dollars	(77,882)	46,866	86,502	44,869	14.03	14.11
Canadian dollars	12,809	(177,587)	12,809	(177,587)	87.22	71.27
Peso	834,031	1,144,022	834,031	1,144,022	2.45	2.48

Foreign currency sensitivity

The following tables indicate the currencies to which the Group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates:

	The Group			
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	2010 %	**2010 $'000**	**2009 %**	**2009 $'000**
Currency:				
USD	5	347,647	5	772,178
GBP	5	(1,103)	5	(44,925)
EUR	5	(7,884)	5	51,687
PESO	5	41,702	5	57,201
CAD	5	640	5	(8,879)
TT$	5	(3,894)	5	2,343
		377,108		829,605

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity (continued)

	The Company			
	Change in Currency Rate	**Effect on Profit**	**Change in Currency Rate**	**Effect on Profit**
	2010	**2010**	**2009**	**2009**
	%	**$'000**	**%**	**$'000**
Currency:				
USD	5	347,647	5	772,178
GBP	5	(1,103)	5	(44,925)
EUR	5	(9,449)	5	26,033
PESO	5	41,702	5	57,201
CAD	5	640	5	(8,878)
TT$	5	4,325	5	2,243
		383,762		803,852

(ii) Interest rate risk

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

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

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

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30. Financial Risk Management (Continued))

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group				
	Within 3 Months	**3 to 6 Months**	**6 to 12 Months**	**1 to 5 Years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 31 March 2010:					
Assets					
Cash and cash equivalents	3,643,532	-	-	-	3,643,532
Loans and notes receivable	2,425,687	90,235	749,485	374,487	3,639,894
Securities purchased under agreements to resell	2,473,540	-	-	-	2,473,540
Investment securities	46,298,028	33,860,606	3,260,148	21,468,753	104,887,535
Total interest bearing assets	54,840,787	33,950,841	4,009,633	21,843,240	114,644,501
Liabilities					
Notes payable	648,650	-	-	-	648,650
Loans payable	-	7,043,932	-	-	7,043,932
Securities sold under agreements to repurchase	74,357,518	14,722,225	8,335,790	5,429,452	102,844,985
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	77,696,253	21,766,157	8,335,790	5,429,452	113,227,652
Total interest sensitivity gap	(22,855,466)	12,184,684	(4,326,157)	16,413,788	1,416,849
Cumulative interest sensitivity gap	(22,855,466)	(10,670,782)	(14,996,939)	1,416,849	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group				
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
At 31 March 2009:					
Assets					
Cash and cash equivalents	2,430,257	-	-	-	2,430,257
Loans and notes receivable	2,931,099	-	197,904	320,127	3,449,130
Securities purchased under agreements to resell	1,418,184	36,971	-	-	1,455,155
Investment securities	44,011,052	28,754,533	2,207,603	21,287,674	96,260,862
Total interest bearing assets	50,790,592	28,791,504	2,405,507	21,607,801	103,595,404
Liabilities					
Notes payable	883,500	-	197,904	-	1,081,404
Loans payable	63,309	9,186,002	-	-	9,249,311
Securities sold under agreements to repurchase	65,040,668	18,474,021	6,595,498	811	90,110,998
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	68,677,562	27,660,023	6,793,402	811	103,131,798
Total interest sensitivity gap	(17,886,970)	1,131,481	(4,387,895)	21,606,990	463,606
Cumulative interest sensitivity gap	(17,886,970)	(16,755,489)	(21,143,384)	463,606	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
At 31 March 2010:					
Assets					
Cash and cash equivalents	2,497,273	-	-	-	2,497,273
Loans and notes receivable	2,185,730	90,235	749,485	47,242	3,072,692
Securities purchased under agreements to resell	18,258,899	-	-	-	18,258,899
Investment securities	46,120,551	33,860,606	3,260,148	-	83,241,305
Total interest bearing assets	69,062,453	33,950,841	4,009,633	47,242	107,070,169
Liabilities					
Notes payable	561,110	-	-	-	561,110
Loans payable	-	7,043,932	-	-	7,043,932
Securities sold under agreements to repurchase	69,536,352	13,893,650	8,325,997	7,696	91,763,695
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	72,787,547	20,937,582	8,325,997	7,596	102,058,822
Total interest sensitivity gap	(3,725,094)	13,013,259	(4,316,364)	39,546	5,011,347
Cumulative interest sensitivity gap	(3,725,094)	9,288,165	4,971,801	5,011,347	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				
	Within 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	Total
	$'000	$'000	$'000	$'000	$'000
At 31 March 2009:					
Assets					
Cash and cash equivalents	1,553,488	-	-	-	1,553,488
Loans and notes receivable	2,931,099	-	-	-	2,931,099
Securities purchased under agreements to resell	19,513,129	36,971	-	-	19,550,100
Investment securities	43,953,984	28,754,039	2,207,603	702,345	75,617,971
Total assets	67,951,700	28,791,010	2,207,603	702,345	99,652,658
Liabilities					
Notes payable	883,500	-	-	-	883,500
Loans payable	63,309	9,186,002	-	-	9,249,311
Securities sold under agreements to repurchase	60,795,079	15,548,534	6,243,841	811	82,588,265
Redeemable preference shares	2,690,085	-	-	-	2,690,085
Total interest bearing liabilities	64,431,973	24,734,536	6,243,841	811	95,411,161
Total interest sensitivity gap	3,519,727	4,056,474	(4,036,238)	701,534	4,241,497
Cumulative interest sensitivity gap	3,519,727	7,576,201	3,539,963	4,241,497	

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30. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonably possible change of 200 basis points in interest rates, with all other variables held constant, on the Group's and company's profit and loss account and stockholders' equity.

The analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2009.

	The Group			
	Effect on Profit	**Effect on Equity**	**Effect on Profit**	**Effect on Equity**
	2010	**2010**	**2009**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Change in basis points				
-200	1,193,413	3,023,977	1,512,336	1,822,192
200	(1,193,413)	(2,857,804)	(1,512,336)	(1,552,686)

	The Company			
	Effect on Profit	**Effect on Equity**	**Effect on Profit**	**Effect on Equity**
	2010	**2010**	**2009**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Change in basis points				
-200	1,193,413	2,302,213	1,114,316	1,703,236
200	(1,193,413)	(2,215,715)	(1,114,316)	(1,443,638)

The impact on stockholders' equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The correlation of a number of variables will have an impact on market risk.

(ii) Equity price risk

Equity price risk arises on equity securities held by the Group as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primarily goal of the Group's investment strategy is to maximize investment returns while managing risk so as to minimize potential adverse effects on the Group's financial performance.

The Group's equity securities are listed on the Jamaica and Trinidad and Tobago Stock Exchange Markets. A 5% increase or decrease in quoted bid prices at the reporting date would result in an increase or decrease, respectively, in equity of $38,725,000 (2009: $31,362,000) for the Group and $36,407,000 (2009: $30,843,000) for the company.

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30. Financial Risk Management (Continued)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risks so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirement for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of control and procedures;
- requirement for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks indentified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of a contingency plan;
- risk mitigation, including insurance where this is effective.

Compliance with the Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to senior management and the Audit Committee.

Jamaica Money Market Brokers Limited

30. Financial Risk Management (Continued))

(f) Capital management

The Group's lead regulator, the Financial Services Commission (FSC), monitors the capital requirements for the Group as a whole.

The objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

(i) To comply with the capital requirements set by the regulators of the financial markets where the entities within the Group operate;

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored monthly by the Group's management employing techniques based on the guidelines developed by the Financial Services Commission (FSC), Jamaica Stock Exchange (JSE) and the Risk Management Unit. The required information is filed with the respective Regulatory Authorities at stipulated intervals.

The FSC require each regulated entity to:

(i) Hold the minimum level of the regulatory capital; and

(ii) Maintain a minimum ratio of total regulatory capital to the risk-weighted assets.

The Group's regulatory capital is divided into two tiers:

(i) Tier 1 capital: share capital, share premium, retained earnings, negative investment revaluation reserve and cumulative translation reserve.

(ii) Tier 2 capital: redeemable preference shares and investment revaluation reserve.

The risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

There have been no material changes in the Group's management of capital during the period,

The regulated companies within the Group are: Jamaica Money Market Brokers Limited (JMMB), JMMB Securities Limited (JMMBSL), JMMB Insurance Brokers Limited (JMMBIB) and JMMB BDI America (JMMBBDI).

The table below summarises the composition of regulatory capital and the ratios of the regulated companies within the Group for the years ended 31 March 2010 and 31 March 2009.

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30. Financial Risk Management (Continued)

(f) Capital management (continued)

	JMMB	JMMB	JMMBSL	JMMBSL	JMMBIB	JMMBIB
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**
Tier 1 capital	9,636,832	8,210,107	99	69	13,000	15,000
Tier 2 capital	2,690,085	2,690,085	32	32	-	-
Total regulatory capital	12,326,917	10,900,192	131	101	13,000	15,000
Risk-weighted assets:						
On-balance sheet	12,668,553	11,275,978	176	169	-	-
Foreign exchange exposure	8,688,474	18,331,494	13	65	-	-
Total risk-weighted assets	21,357,027	29,607,472	189	234	-	-
Total regulatory capital to risk weighted assets	58%	37%	69%	43%	-	-
Actual capital base to risk weighted assets	45%	28%	69%	53%	-	-
Required capital base to risk weighted assets	14%	14.0%	10%	10%	-	-

(i) Capital requirement for JMMBIB is to maintain a minimum capital base of $10 million.

(ii) Capital requirement for JMMB BDI America Puesto is RD$5 million plus other reserve which is 5% of liquid profits.

The individually regulated entities within the Group have complied with all externally imposed capital requirements throughout the year.

Jamaica Money Market Brokers Limited

31. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) Investment securities at fair value through profit or loss are measured at fair value by reference to quoted prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, or discounted cash flows. Fair value is equal to the carrying amount of these items.

(ii) Investment securities classified as available-for-sale are measured at fair value by reference to quoted market prices or dealer quotes when available. If quoted market prices are not available, then fair values are based on pricing models or other recognised valuation techniques.

(iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

(iv) Loans are net of provision for impairment. The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(v) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

The following table provides an analysis of financial instruments that are measured in the balance sheet at fair value at 31 March 2010, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

(i) Level 1: Fair values are quoted prices (unadjusted) in active markets for identical instruments;

(ii) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

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31. Fair Value of Financial Instruments (Continued)

	The Group			
	Level 1	**Level 2**	**Level 3**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Available for sale securities				
Government of Jamaica securities	-	37,143,275	-	37,143,275
Sovereign bonds	-	5,012,759	-	5,012,759
Quoted securities	756,582	-	-	756,582
Units in unit trusts	-	163,440	-	163,440
Money market funds	-	268,401	-	268,401
Other	-	7,205	-	7,205
	756,582	42,595,080	-	43,351,662

	The Group			
	Level 1	**Level 2**	**Level 3**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets at fair value through profit or loss				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Quoted securities	40,741	-	-	40,741
	40,741	1,215,956	-	1,256,697
Available for sale securities				
Government of Jamaica securities	-	27,278,026	-	27,278,026
Sovereign bonds	-	8,476,480	-	8,476,480
Quoted securities	606,455	-	-	606,455
Units in unit trusts	-	95,194	-	95,194
Money market funds	-	273,941	-	273,941
Other	-	36,875	-	36,875
	606,455	36,160,516	-	36,766,971
	647,196	37,376,472	-	38,023,668

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31. Fair Value of Financial Instruments (Continued)

	The Company			
	Level 1	**Level 2**	**Level 3**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Available-for-sale securities				
Government of Jamaica securities	-	33,458,838	-	33,458,838
Quoted securities	669,979	-	-	669,979
Units in unit trusts	-	163,440	-	163,440
Money market funds	-	268,401	-	268,401
	669,979	33,890,679	-	34,560,658

	The Company			
	Level 1	**Level 2**	**Level 3**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets at fair value through profit or loss				
Government of Jamaica securities	-	1,215,956	-	1,215,956
Available for sale securities				
Government of Jamaica securities	-	27,278,026	-	27,278,026
Quoted securities	606,455	-	-	606,455
Units in unit trusts	-	95,194	-	95,194
Money market funds	-	273,941	-	273,941
Other	-	36,875	-	36,875
	606,455	27,684,036	-	28,290,491
	606,455	28,899,992	-	29,506,447

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31. Fair Value of Financial Instruments (Continued)

Reclassification of investment securities
Under IAS 39 (Amendment), which became effective 1 October 2008, the Group reclassified the following investment securities from available-for-sale to loans and receivables, as the market for these securities became inactive. The fair value at the reclassification date became the amortised cost of the newly reclassified loans and receivables. The table below shows the carrying value and the fair value of these securities at the reporting date based on discounted cash flow techniques.

	The Group			
	Carrying Value 2010 $'000	Fair Value 2010 $'000	Carrying Value 2009 $'000	Fair Value 2009 $'000
Financial Assets				
Government of Jamaica securities	35,771,970	34,534,409	35,354,874	34,141,940
Sovereign bonds	9,924,801	9,483,008	5,637,106	5,270,519
Corporate and other bonds	7,696,947	7,891,435	13,256,117	11,735,064

	The Company			
	Carrying Value 2010 $'000	Fair Value 2010 $'000	Carrying Value 2009 $'000	Fair Value 2009 $'000
Financial Assets				
Government of Jamaica securities	26,991,375	26,006,295	26,755,854	25,947,211
Sovereign bonds	5,783,683	5,496,475	5,637,106	5,270,519
Corporate and other bonds	7,696,947	7,891,435	8,745,197	7,788,671

Fair value losses of $1,128,418,000 (2009: $1,204,300) and $658,486,000 (2009: $712,352,000) exclusive of deferred tax, for the Group and company respectively were recognized in equity in relation to the above investments that were reclassified.

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32. Post-employment Benefits

Pensions are the only post-employment benefits to which the Group is committed. To better secure the payment of promised benefits, the company operates a defined-contribution pension fund for the Group's Jamaican employees who have satisfied certain minimum service requirements. The Fund is financed by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 5% of pensionable salaries.

The Fund is administered by trustees and the assets are held separately from those of the Group, except for some of the assets which are included in funds being managed by the company (Note 33). Under the rules of the Fund, an actuarial valuation should be carried out by the appointed actuaries every three years. An actuarial valuation of the Fund was done as at 31 December 2008 by ACTMAN International Limited, independent actuaries. The valuation report dated 29 May 2009 revealed a funding surplus, a portion of which the trustees have decided will be allocated to the members' accounts.

The contributions for the year amounted to $31,367,000 (2009: $32,150,000) for the Group and $28,810,000 (2009: $30,361,000) for the company.

The pension benefit is the annuity that can be purchased by the amount standing to the credit of the member's account at the date of retirement.

33. Managed Funds

The Group acts as agent and earns fees for managing clients' funds on a non-recourse basis under a management agreement. This includes some of the assets of the Group's pension scheme (Note 32). Although the Group is the custodian of the securities in which the clients participate, it has no legal or equitable right or interest in these securities. Accordingly, the securities in which the client's funds are invested have been excluded from these financial statements.

At 31 March 2010, for the Group and the company, funds managed in this way amounted to $15,315,000 (2009: $14,261,583,580) which includes pension scheme contributions (Note 32), inclusive of accrued interest, amounting to $69,193,128 (2009: $25,203,723) for the Group and the company. The financial statements included the following assets held in (liabilities payable to) the managed funds:

	The Group		The Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Other receivable				
Investments	268,401	273,941	268,401	273,941
Interest payable	(21,330)	(65,209)	(21,330)	(65,209)
Securities sold under agreements to repurchase	(8,469,254)	(7,264,559)	(8,469,254)	(7,264,559)

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34. Lease Commitments

Commitments under non-cancellable operating lease agreements, expiring between 2009 and 2011, amounted to $19,046,147 at 31 March 2010 (2009: $8,640,964). The lease rentals are payable within one year.

35. Contingent Liability

As indicated in Note 33, the Group's business includes managing funds on behalf of clients. The Commissioner, Taxpayer Audit and Assessment Department ("TAAD"), wrote to the company in 2005 advising that consideration received for this service is subject to General Consumption Tax ("GCT"). However, in common with other licensed securities dealers providing this type of service in Jamaica, the company has not charged or paid GCT on the consideration received for this service. Counsel for the Jamaica Securities Dealers Association has written to the TAAD giving reasons why the consideration concerned is not subject to GCT. Based on the foregoing, no provision has been made in this regard, as the amount of the liability, if any, in respect of the relevant periods ended on 31 March 2010 has not yet been determined.

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