JAMAICA PRODUCERS GROUP LIMITED

2009 ANNUAL REPORT

OUR MISSION

To maintain the highest standards of quality, integrity and efficiency in the production, processing and manufacturing of fresh foods.

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-third ANNUAL GENERAL MEETING of JAMAICA PRODUCERS GROUP LIMITED will be held at **St. Mary Banana Estates, Annotto Bay, St. Mary**, at 11:00 o'clock in the forenoon of Friday June 25, 2010 for the following purposes:-

AGENDA

1. To receive and consider the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2009 and, if thought fit, pass the following resolution:-

   "That the Directors' Report, Auditors' Reports and Audited Financial Statements of the Company and the Group for the year ended December 31, 2009 be and are hereby adopted."

2. To fix the remuneration of the Auditors for 2009.

3. To ratify interim dividends and declare them final:-

   "That the interim dividend of 15¢ per stock unit of record date January 13, 2010 be and is hereby ratified and declared final for 2009."

4. To pass the following resolution:-

   "That the Auditors, KPMG, having indicated their willingness to continue in office, be and are hereby re-appointed for the year 2011."

5. To elect Directors.

   To consider and, if thought fit, pass the following resolution:-

   "That The Hon. Oliver Clarke who retires by rotation, be and is hereby re-elected a director of the Company."

6. To fix the remuneration of Directors.

7. To transact any other competent business.

BY ORDER OF THE BOARD

Paul St. E. Samuels
Company Secretary

A member of the Company who is entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll, to vote in his stead. A proxy need not be a member of the Company. Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting. An appropriate Form of Proxy is attached, to which should be affixed adhesive stamps to the value of $100.00.

Kingston, Jamaica
April 15, 2010

St Mary's

FINANCIAL HIGHLIGHTS

Five-year Summary

	2009 $'000	2008 $'000	2007 $'000	2006 $'000	2005 $'000
GROUP					
PROFIT AND LOSS ACCOUNTS					
Gross operating revenue	6,259,033	13,002,928	13,855,865	28,486,288	26,311,118
Profit/(loss) before taxation and minority interest	307,562	(3,373,884)	(728,475)	2,721,980	621,209
Taxation	(97,814)	517,417	249,367	(108,770)	(159,642)
Profit/(loss) after taxation and before minority interest	209,748	(2,856,467)	(479,108)	2,613,210	461,567
Minority interest	(105)	268	15,685	(26,876)	(81,247)
Profit/(loss) attributable to the group	209,643	(2,856,199)	(463,423)	2,586,334	380,320
Weighted average stock units in year:					
Based on stock units in issue	187,024,006	187,024,006	187,024,006	187,024,006	187,024,006
After exclusion of stock held by ESOP	169,291,135	169,641,614	170,550,104	171,001,256	171,030,574
Earnings/(loss) per ordinary stock unit					
Based on stock units in issue	112.09¢	(1,527.18)¢	(247.79)¢	1,382.89¢	203.35¢
After exclusion of stock held by ESOP	123.84¢	(1,683.67)¢	(271.72)¢	1,512.46¢	222.37¢
Ordinary dividends to stockholders	28,054	46,756	514,316	93,512	93,512
Average exchange rates:					
US$1 to J$	88.05	72.82	68.49	65.73	62.22
UK£1 to J$	136.39	133.89	136.39	118.08	111.28
EUR€1 to J$	122.95	104.62	N/A	N/A	N/A
GROUP BALANCE SHEETS					
Property, plant and equipment, investments, etc.	3,343,841	3,290,974	7,272,774	6,912,544	6,707,089
Working capital	1,268,219	1,006,110	3,369,117	3,955,858	3,317,307
Long-term loans	(69,898)	(102,999)	(1,135,260)	(1,081,683)	(557,497)
Deferred income, taxation, etc.	(9,674)	(7,971)	(424,452)	(314,645)	(571,786)
Minority interest	(595)	-	(5,604)	(21,015)	(669,064)
Net assets	4,531,893	4,186,114	9,076,575	9,451,059	8,226,049
Share capital	18,702	18,702	18,702	18,702	18,702
Reserves	4,513,191	4,167,412	9,057,873	9,432,357	8,207,347
Stockholders' equity	4,531,893	4,186,114	9,076,575	9,451,059	8,226,049
Stock units held at year-end:					
Based on stock units in issue	187,024,006	187,024,006	187,024,006	187,024,006	187,024,006
After exclusion of stock held by ESOP	169,291,135	169,291,570	170,162,741	171,162,741	170,878,089
Stockholders' funds per stock unit:					
Based on stock units in issue	$ 24.23	$ 22.38	$ 48.53	$ 50.53	$ 43.98
After exclusion of stock held by ESOP	$ 26.77	$ 24.73	$ 53.34	$ 55.22	$ 48.14
Buying exchange rates at December 31:					
US$1 to J$	89.01	79.96	70.18	66.92	64.18
UK£1 to J$	139.80	114.44	140.10	128.93	108.84
EUR€1 to J$	127.30	111.15	N/A	N/A	N/A

JP TROPICAL FOODS

CHAIRMAN'S STATEMENT

Jamaica Producers Group Limited (JP) entered the 2009 financial year facing an operating environment that ranked among the harshest that it has faced in its 80 year history. In the second half of 2008, our banana farms had been destroyed by catastrophic weather for the fifth time in as many years. At the same time, the UK -- then our largest market-- was severely affected by the global economic downturn, and this was devastating for our business there.

As a result, JP was called upon to implement a major strategic overhaul of every aspect of the Group. This important project benefited from the commitment and effort of our board, management and staff, and I am pleased to report that it is beginning to show the desired results.

JP earned after-tax profits in 2009 of $209.8 million, a turnaround from a loss of $2.86 billion in 2008. The improved results reflect our decision to exit non-performing businesses and to aggressively re-focus our resources on those businesses in which we can build upon our unique competitive position and grow shareholder value. Accordingly, at the end of 2008, JP took the decision to exit its United Kingdom juice business (which is accounted for in 2008 as a discontinued operation) and to exit the business of exporting Jamaican bananas to the UK.

JP's continuing operations now comprise two operating divisions along with our Corporate reporting segment. Our JP Europe operating division accounts for 78.2% of the combined revenues of JP. JP Europe is the largest producer of fresh juice in the Netherlands. The division also operates a UK-based freight forwarder and freight consolidator serving the English-speaking Caribbean.

Our JP Tropical operating division is the leading vertically integrated tropical snack producer in the Caribbean. JP Tropical includes farming as well as food processing and accounts for 19.5% of JP Group revenues.

Both operating divisions achieved growth in revenues and profit. Revenues from our continuing operations are up 71.5% in 2009 relative to 2008. Moreover, we reversed a 2008 loss from continuing operations of $250.7 million and achieved a $460.5 million profit improvement.

JP Europe

Revenues from continuing operations in JP Europe increased by 77.7% from 2008 to $4.89 billion in 2009. Profit was up by $391.8 million to $213.3 million. This reflected a turnaround relative to the 2008 loss of $2.33 billion and the 2008 loss from continuing operations of $178.5 million.

JP Europe is primarily involved in fruit processing and imports fruit from around the world and operates a fruit juice extraction and bottling plant that is based in the Netherlands and serves the Benelux (Belgium, Netherlands and Luxembourg) market. JP acquired this business with effect from July 4, 2008. In the context of a challenging economic environment, the improved results reflect efficiency gains in the juice factory and more effective raw material procurement.

JP Europe also operates JP Shipping Services Limited, which handles freight forwarding between the UK and the Caribbean. This business historically operated in tandem with our banana export business. With our exit from Jamaican banana exports, the unit no longer benefits from some of the synergies that facilitated the backhaul of cargo from Europe to Jamaica and the co-loading of Jamaican cargo with bananas. We have had to restructure the business to reduce its cost base and to develop new opportunities in freight consolidation to the wider Caribbean. Although we made progress with cost reduction and the development of new business with the wider Caribbean and returned the business to profitability in the fourth quarter of 2009, JP Shipping Services experienced a loss for the full year as a result of the collapse in freight volumes associated with the

UK economic downturn. More aggressive selling and marketing initiatives to improve freight volume and profitability are planned for 2010.

JP Tropical

JP Tropical achieved substantial revenue growth in 2009 of 74.6% relative to 2008. Revenues benefited from more aggressive brand-led advertising and distribution of our processed snack lines as well as new product development. We introduced new cassava, sweet potato and plantain chip products together with flavoured varieties and improved packaging to enhance the shelf life of the product. We also launched our snack products in the Dominican Republic and targeted export growth in North America. We are pleased with the positive market acceptance of these initiatives.

As a result of our work in 2009, the JP St. Mary's brand is now recognized as the leading tropical snack brand in Jamaica. In 2010, we will build on this platform by expanding into new markets and by offering new processed food lines under our brands in Jamaica. We will also introduce a strong marketing campaign around our fresh bananas with a view to achieving comparable levels of brand recognition and sales growth.

JP Tropical also benefited from efficiency gains and improved yields in its farming operations in Jamaica and Honduras. Moreover, it has begun to benefit from a series of initiatives to generate added rental income from its land holdings in Jamaica.

Profits for the JP Tropical Division were up by $273.2 million to $48 million. This reflected a turnaround from the loss of $225.2 million in 2008.

Corporate

The Corporate segment recorded a profit of $46.4 million in 2009 compared to a profit of $145.6 million for the comparable period in 2008. The segment comprises interest and investment income net of the cost of corporate functions not directly charged to the business units. During the year, we sought to offset lower investment income and the loss in management fees from discontinued operations with reduced corporate overheads. At year-end, we reduced central corporate overheads by $57.9 million relative to the prior year.

Outlook

JP has a strong market share for its core product lines -- fresh juice and tropical snacks (including ripe bananas) -- in each of our main markets. Although our strong market position can reasonably be viewed as a source of comfort for shareholders, it also means that JP is required to target new markets and new products in order to achieve our objective for substantial medium-term growth. In this regard, we feel that our greatest potential for returns are in new products and markets that take advantage of our existing investment in plant and equipment, food and agricultural expertise and brand acceptance. As such, in 2010 and beyond, we will be seeking to identify and exploit opportunities in food processing and marketing in Northern Europe (particularly the Benelux region and the UK) and the Americas (particularly Central America, Caribbean and the USA), and are positioning JP to effectively pursue strategies for growth from its existing businesses and from new acquisitions. Our balance sheet strength is sufficient to both maintain our current businesses and to support our growth ambitions.

The turnaround that JP achieved in 2009 was particularly challenging because we had to fundamentally re-orient and re-invent our Group, and at the same time manage through a difficult economic environment.

I wish to thank the board, management and staff for their willingness and determination to make the changes that were required to re-position the Group for profitable growth.

C.H. Johnston
Chairman

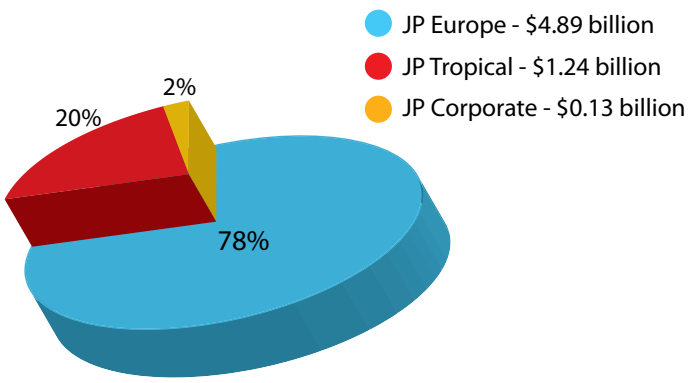
MANAGEMENT DISCUSSION & ANALYSIS

We must continue to grow our business by marketing our existing products in new markets and developing new products for our existing customers.

JP's vision is to develop market-leading food businesses by offering to consumers products that are healthy, tasty, convenient and at attractive prices. We will achieve this by capitalizing on our knowledge and experience in cultivating, buying, processing and marketing fresh produce.

In recent years, JP has established platform food businesses that are consistent with this vision. One of these businesses is centred in Western Europe, while the other is centred in the Americas. We believe that this geographic diversity and our status as a multinational specialty food company will serve as the foundation for us to generate substantial value for our Jamaican shareholders.

Our Divisional Revenue



Our JP Europe division offers us access to one of the wealthiest groups of consumers in the world. Located in the Netherlands, our fresh juice production facilities have direct market access to neighbouring countries, Belgium and Germany, and provide the basis for us to develop commercial opportunities across Northern Europe. We have identified a growing demand in these markets for high quality, fresh fruit-based products. Our activities in Europe are, therefore, being driven by the imperative of meeting that demand profitably.

Our JP Tropical Foods division is based in Jamaica and has snack processing operations in the Dominican Republic and Jamaica and farms in Honduras and Jamaica. We have determined that consumers from the Central American and Caribbean diasporas -- wherever they live -- have a preference for authentic, convenient natural snacks made from raw materials with which they are comfortable and familiar, and that provide excellent overall value. The snacks we now offer range from banana and plantain chips to cassava and sweet potato chips in a variety of flavours.

JP is established as the market-leading fresh juice company in the Netherlands and tropical snack producer in Jamaica. Although we value our strong position in each of these markets, a concern of management is that our products already have high penetration rates in both markets and high market shares. Moreover, we feel that it is in our shareholders' interest for us to target growth opportunities that reduce the concentration of our business that goes through existing channels as this will serve to contain our exposure to market risks. Therefore, although there continues to be room for growth of our core products in our core markets, we have begun to look for new and complementary growth opportunities.

Our strategy is to build on our platform businesses by marketing our existing products in neighbouring markets and by leveraging our production capabilities and know-how to offer new products to our existing customer base. JP will achieve this through new business starts, as well as through the acquisition of other entities which are capable of supporting our strategy and growth targets.

In our European business, we will capitalize on preparatory work done in 2009 by launching a new fresh

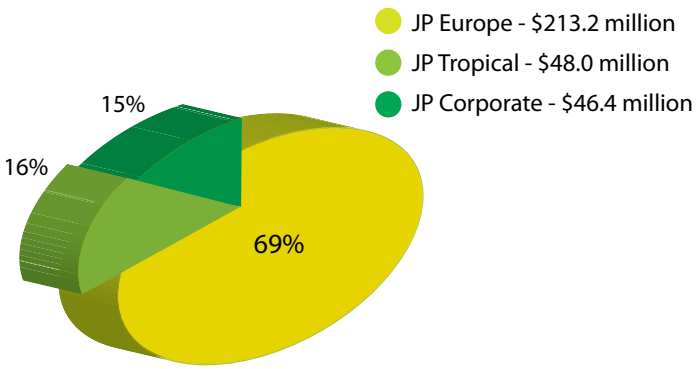
frozen fruit product in early 2010, and by implementing the capacity to extend the shelf-life of our fruit juices and smoothies by the end of 2010. We have also achieved new listings or added sales outside of our core Dutch market in neighbouring European countries and we expect continued export growth in 2010.

In our tropical snack business, we are pursuing a similar expansion path. In 2009, we introduced a series of new products including sweet potato, cassava and plantain chips as well as new flavoured varieties of our traditional snacks. In 2010, we will continue to develop and promote these new products and will further expand our Jamaican business by investing in a more aggressive marketing campaign for bananas and ultimately a range of fresh produce. During 2009, we established new distribution arrangements in the Dominican Republic, the United States of America and Canada. As a result, our sales volumes to markets outside of Jamaica were up significantly relative to the prior year and grew faster than our traditional Jamaican business. In early 2010, we expect to begin sales of our core snack lines in Central America and anticipate continued export growth.

We must improve our return on equity. We must drive up the capacity utilization of our food factories, generate income from our land management and logistics services and build our cash and investments.

In addition to our core food processing operations, JP owns over 3,500 acres of land, maintains a full-service logistics operation, and holds investments (including Jamaican equities and fixed income securities). Collectively, these assets represent an important share of our net worth. A priority for JP is to materially increase the shareholder return on all our assets.

Our Profits by Division



Food and Drink

The food and drink operations of JP -- across our two operating divisions -- have benefited from investment in property, plant and equipment of $139 million in 2009. We installed a new bottling line at our juice manufacturing business in the Netherlands and added a new production line to our joint venture snack food manufacturing facility in the Dominican Republic. Our 2009 capital investment in the Netherlands forms part of a three-year investment programme that we commenced in July 2008, when we acquired A.L. Hoogesteger Fresh Specialist B.V. ("Hoogesteger"). This programme -- which is now at its halfway point -- includes the replacement of plant and equipment with a view to improving product quality, plant efficiency, environmental standards, and ultimately plant capacity. Additional planned improvements will extend the shelf-life of our fresh juices to enable our existing customers to better manage their inventory and allow us to attract new customers or enter new markets.

Our continued investment in snack manufacturing in the Dominican Republic was designed to complement our existing tropical snack production facility in Jamaica. The plant in the Dominican Republic supports the retention of our market position in Jamaica in the event of hurricane damage to our Jamaican raw material sources. At the same time, it provides a platform for expansion into new markets, particularly Spanish-speaking markets in the Caribbean and Central America.

As a result of our investment programme, our food and drink businesses will have the capacity in 2010 and beyond to achieve substantial sales growth with only modest further additions to capital and overheads. Importantly for shareholders, it is expected that the achievement of targeted revenue growth will directly result in improvements to the return on capital employed and return on equity.

Land Management

Where we have or can develop market leading expertise in a particular crop that is suited to our soils, climate and commercial opportunities, we seek to derive attractive returns from our land by engaging in agricultural production. Our single largest user of owned lands continues to be our banana production in Jamaica (for the local market and food processing) and in Honduras (for export to the United States). In 2009, we sought to diversify our agricultural production in Jamaica by adding experimental acreages in cassava, sweet potato and pineapple. Early indications are that JP can achieve yields and quality that are significantly higher than Jamaican national averages. Moreover, our output will benefit from synergies with our fresh produce distribution system that serves every major supermarket in Jamaica and our food processing business that has the market-leading position in tropical snacks.

Where our land is not suitable for cultivation directly by us, we are putting in place arrangements to grant licences for the use of our land for agricultural purposes to established third party farmers. In 2009, under this programme we supported the establishment and/or maintenance of over 400 acres of sugar cane, peppers, coconuts, paw paw, cassava, sweet potato, mango and timber on lands owned by the Group. We expect to intensify this land management programme in 2010 by coordinating the marketing and distribution arrangements for certain crops grown by third party farmers.

As a further component of our effort to improve the returns on our land holdings, we took initial steps in 2009 to establish a new joint venture company -- Four Rivers Mining Company Limited -- to extract and process construction aggregates on lands that we own in Jamaica. This business is expected to come on stream in 2010.

Logistics

In order to service JP's internal logistics requirements (prior to its exit from the export banana business), the Group developed significant unique expertise in the movement of fresh produce cargo from Jamaica and Central America to Europe and in the backhaul of general cargo from Europe to Jamaica. With our exit from the export of bananas from Jamaica, our logistics team has developed commercial opportunities that benefit from our ability to market these skills. Our activities now include door-to-door freight consolidation, freight forwarding and customs clearance.

In September 2009, we re-located our London based freight consolidation depot that historically handled cargo bound for Jamaica to a larger facility. The new location is adjacent to our recently acquired depot that handles freight consolidation to the Eastern Caribbean. We then re-branded the two businesses (formerly JP Shipping and RAM Shipping) so that they now operate under one brand -- JP RAM -- and one manager. We have adopted common systems and have started to cross-sell our services. We are now in effect a one-stop shop for shipping between Europe and the English-speaking Caribbean for both full container loads and individual packages. Moreover, the combined business now benefits from the long-standing reputation and market acceptance of both our brands but has the scale, flexibility and synergies of a unified operation. We are satisfied that as a result of changes introduced in 2009, the business has the capacity to expand its revenues with minimal additional investment or growth in overheads. We expect this to contribute to improved shareholder return.

Investments

In addition to our operating assets, JP holds a mix of cash, fixed income securities and equities. Although we seek to generate current income from these investments, our asset composition also reflects our focus on risk management and the objective of generating significant long term capital appreciation for shareholders while maintaining the liquidity and flexibility to support the growth objectives of our core business.

Our investment strategy takes into account the fact that we are a Jamaican owned and managed Group with a majority of our operating assets and revenues overseas and denominated in hard currency. Over the years, this position has afforded us some appetite for exposure in our equity investment portfolio to the business opportunities that do exist in Jamaica provided that our investments are in entities that have a track record of strong management, market strength and diversity in their business lines, and sufficient scale to allow for liquidity in the stock.

At the same time, as an international business, our cash and fixed income holdings will reflect a need to match currencies with our potential liabilities and investment opportunities going forward. As a result, we have tended to hold a share of our cash and fixed income portfolio in major world currencies and our interest income in the short term is lower than it would have been had it been invested entirely in Jamaican dollar instruments.

JP has very limited long-term debt of $69.9 million relative to shareholders equity of $4.53 billion at December 31, 2009. We believe that our balance sheet strength is important because it allows us the opportunity to finance substantial long-term growth.

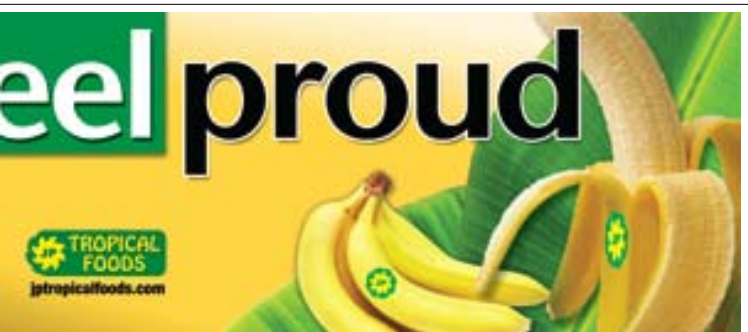
We must continue to improve our operating efficiency, service levels, product quality and governance standards.

An important pre-condition to the achievement of our growth and shareholder return targets will be our focus on product quality, operating efficiency and productivity, and good governance.

Quality and Service Delivery

JP operates food businesses in some of the most demanding food markets in the world vis-à-vis quality and service delivery. As such, we have developed market-leading standards against which we monitor and ensure our service and quality. We pay particular attention to service and quality levels based on objective measures of order fulfillment and customer complaints and are pleased to report that we continued to meet or exceed our targets -- based on feedback from the third party customers. JP was gratified that our focus on quality was again recognized in 2009 when we received three Bureau of Standards' Jamaica National Quality Awards (NQA). Among them was the Excellence in the Manufacturing Industry Award -- an award which made JP the first organization since the inaugural presentation of the NQA in 2004 to have won the top quality award for commerce and industry in Jamaica for three successive years: 2007, 2008 and 2009.

Companies which are eligible for Bureau of Standards' quality awards are audited and must demonstrate excellence in their operations and in quality management. Over the five years since the national standards body began presenting the NQA, JP has won a total of eight awards.



Our reputation for quality and service is the foundation upon which we propose to aggressively develop our brands and in turn improve the commercial value of our relationships with consumers. Our lead brands comprise:

JP. Known in Jamaica since 1929, this brand underpins our reputation for producing the highest quality bananas. In 2010 we intend to give special focus towards generating renewed awareness of this brand as a symbol of excellence in fresh produce.

St. Mary's. This is Jamaica's leading tropical snack brand and is associated with our banana, plantain, sweet potato and cassava chips. This brand benefited from a successful promotional campaign in 2009 that resulted in sales growth of 45% and entrenched our tropical snacks as market leader in Jamaica.

Hoogesteger. This is our fresh juice brand offering in JP Europe's business in the Netherlands. This brand is associated with high quality, freshly-squeezed juices.

Nixx. Launched in 2009, this tropical snacks brand (banana, sweet potato and plantain chips) is being developed with our joint venture operation in the Dominican Republic for the Spanish-language markets in the Americas.

JP RAM. This brand is associated with the leading UK freight consolidator focusing on the English-speaking Caribbean. The JP RAM brand represents a merger of the JP Shipping Company brand and the recently-acquired RAM Shipping Services brand, which has been operating throughout the English-speaking Caribbean for the past 25 years.

Taste Jamaica. Over the years, we have attached our Taste Jamaica brand to produce that originates in Jamaica and represents the best of Jamaican food.

Raw Material Costs and Production Efficiency

We pay special attention to raw material prices for fresh produce and other food inputs, both in the Tropics and in Europe. Our raw material costs can vary dramatically as a result of weather conditions, currency movements, pest and disease management and other agronomic issues, freight costs and macroeconomic factors. Small movements in raw material costs can significantly affect our profit performance. JP takes advantage of a well-established level of expertise in fruit production and procurement to effectively monitor, negotiate and influence the cost of the raw materials we use in our production processes. We have been able to do this by being prepared, in some instances, to cultivate food inputs ourselves, as well as by ensuring that we maintain access to credible information on supplies and suppliers by utilizing the network of relationships which we have built across the globe.

Our investment in our production facilities has resulted in plants that are appropriate to the manufacturing segment in which we operate and have the capacity to satisfy our medium-term requirements. Those facilities not only boast modern equipment, but are backed by a well-trained and motivated workforce. Our JP Europe division employs a total of 177 persons of whom 147 operate in our Hoogesteger juice division in the Netherlands and 30 in our logistics business. JP Tropical Foods has 690 employees of whom 349 work in agricultural production in Jamaica and Honduras and the remainder in our snack factories in Jamaica and the Dominican Republic.

Corporate Overheads

JP has had to reduce overheads to re-align the scale of its administrative apparatus to the size of its operating businesses and the prevailing economic prospects. JP has been both orderly and aggressive in removing corporate overheads. We achieved an 18.5% reduction from $314 million to $256 million in corporate overheads during the year despite an inflation rate of 10.2% for the comparable period.

Good Governance

We are convinced that our ability to deliver sustainably positive results will depend significantly on the effectiveness of our Corporate Governance structure. Headquartered in Kingston, Jamaica, JP is governed by a Board of Directors which has primary oversight responsibility for the organisation. Mr. Charles Johnston serves as Chairman of the Board, and a substantial majority of its directors have no executive relationship with the Group. The JP Board operates in tandem with three committees: a 6-member Audit Committee, a 3-member Compensation Committee, as well as the 6-member Executive Committee.

We must continue to be excellent corporate citizens.

Corporate Social Responsibility

Integral to JP's success as a producer of quality food products is our ability to maintain an excellent relationship with the communities in which we do business. We continued to support these communities in 2009. Our main focus has been on projects in the areas of education and youth, health care, the environment and community development.

The parish of St. Mary in Jamaica receives particular attention in our community outreach programme because it is at the nexus of (a) our operating activity (being the place from which the single largest group of our employees and their families are located), (b) our property holdings -- being the area in which we hold our most substantial block of real estate, (c) our "St. Mary's" brand and (d) our heritage in the banana business. Moreover, St. Mary is among the poorest parishes in Jamaica and as such presents a worthy cause. Among major projects undertaken by JP in Jamaica has been the establishment of the JP St. Mary's Foundation, which seeks to provide leadership in the development of St. Mary. The first project of this foundation will, in partnership with the European Union and the Forest Conservancy (a Jamaican non-governmental organisation), support and coordinate the development of 400 acres of small and medium-sized farms in the parish of St. Mary, on lands formerly used in the production of bananas.

This project is complemented by other JP initiatives in St. Mary, such as the ongoing support we provide to the Annotto Bay Hospital. Our targeted donation to the United Way financed the refurbishment of a Resource Centre at the Annotto Bay All-Age School, and we supported the Scott's Hall Primary School by joining with other sponsors to construct and equip a modern computer-based literacy centre. We also continue to support the Sydney Phillips Scholarship Fund, which provides tertiary level scholarships for eligible students from the parish of St. Mary. The three latter projects focus on improving the academic qualifications and skills base of our community -- a priority for our Group.

We have also maintained our long-time support to organisations which provide critical social services in Jamaica including the Jamaica Environment Trust, the Nature Preservation Foundation, the Jamaica Red Cross, the Voluntary Organization for the Upliftment of Children (VOUCH) and the Jamaica Christian Boys' Home.

BOARD OF DIRECTORS

Charles H. Johnston, CD, BSc (Econ.), is the Executive Chairman of Jamaica Fruit and Shipping Company Limited. He has been the Chairman of Jamaica Producers Group since 1986, where he serves as the Chairman of the Compensation and Executive Committees and is a member of the Audit Committee. Mr. Johnston has for many years, been actively involved in Jamaica's shipping industry and is a past president of the Shipping Association of Jamaica. He is currently a member of that Association's Management Committee. He also serves on various Boards including the Bank of Nova Scotia Jamaica Limited, Port Authority of Jamaica, Kingston Wharves Limited, Jamaica Public Service Company and H.D. Hopwood and Company Limited. He is also a member of the King's House Foundation. Mr. Johnston was conferred with the Order of Distinction, Commander Class in 2006 and was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica in 2008.

Jeffrey Hall, BA, MPP, JD, was appointed Group Managing Director of Jamaica Producers Group in July 2007 after joining the Board in January 2004. He serves on the Board's Audit, Compensation and Executive Committees. Since 2003 he has served the Group in the capacity of Divisional Director with responsibility for bananas, shipping and fresh produce throughout the Group. Mr. Hall is a Director of the Bank of Nova Scotia Jamaica Limited and the Banana Export Company Limited. Mr. Hall received his Bachelor of Arts degree (summa cum laude) in Economics from Washington University, his Masters degree in Public Policy from Harvard University and his Juris Doctorate from Harvard Law School.

The Hon. Oliver F. Clarke, OJ, JP, BSc., (Econ.), FCA is the Chairman and Managing Director of the Gleaner Company Limited and Chairman of the Jamaica National Building Society. He was appointed to the Board of Jamaica Producers Group in January 2008. Mr. Clarke also serves on the Boards of several other companies, including Independent Radio Company Limited, Peace Education Foundation in Miami and PALS Jamaica. He is a Past President of the Private Sector Organisation of Jamaica (PSOJ). In 1997 he was inducted into the Hall of Fame of the PSOJ. He is a member of the Police Service Commission and the Police (Civilian Oversight) Authority. In 1998, Mr. Clarke was awarded the Order of Jamaica.

David McConnell was named to the Board of Jamaica Producers Group in 1996. He brought to the Board extensive experience in the fresh fruit and food processing businesses. Mr. McConnell has been a member of the Managing Committee of United Estates since 1982.

John O. (Jackie) Minott, CD, BCom, JP, has served as a Director of Jamaica Producers Group since 1993. He is a member of the Audit and Executive Committees of the Board. He is Managing Director of the family-owned Jamaica Standard Products Company Limited, producers of Jamaica's most well-known coffee products. Mr. Minott chaired the Munro & Dickenson Trust for over 20 years. He currently sits on the Boards of the Barita Unit Trust and the Manchester Parish Development Committee and served previously as a Director of Jamaica Trade and Invest (formerly JAMPRO). In 1994, Mr. Minott was awarded the Jamaica Exporters' Association Trailblazer Award and in 2000 was conferred with the Order of Distinction, Commander Class.

Kathleen A.J. Moss, BSc, MBA, CBV, is Management Consultant and Chartered Business Valuator with Sierra Associates, an independent financial advisory practice that she established in 1993. She was appointed to the Board of Directors of Jamaica Producers Group in 1999. She is a member of the Compensation Committee and chairs the Audit Committee. Mrs. Moss serves on the Boards of NEM Insurance Company (Jamaica) Limited where she is Deputy Chairman, Assurance Brokers of Jamaica and Rebhan's Gases Limited. Mrs. Moss is a member of the Canadian Institute of Chartered Business Valuators and is a past president of the Institute of Management Consultants of Jamaica.

Nixx
Nixx Banana Chips Original
0g TRANSFAT
PESO NETO / NET WT. 15g
Nixx Banana Chips
Nixx Yuca Chips

The Hon. Emil George, OJ, QC, BCL, MA (Oxon.), Attorney-at-Law, is the Honorary Consul for Dominica. He was appointed to the Board of Jamaica Producers in 1981. His other directorships include: Chairman of Wray & Nephew Group Limited, Chairman of the Financial Services Commission, Chairman of Crown Packaging Limited and Member of the Board of the Seprod Group of Companies. Mr. George was appointed Queens Counsel in 1970 and was conferred with the Order of Jamaica in August 2002.

Marshall McG. Hall, CD, PhD, was the Group Managing Director from 1979 until his retirement in June 2007. He serves on the Board's Audit, Compensation and Executive Committees in addition to being a Board member of the subsidiary companies and related banana entities. He was formerly Executive Chairman of Jamaica Public Service Company and a Professor at the University of the West Indies and Washington University. He has served on the boards of a number of public sector bodies and currently serves on the Council of the University of the West Indies and on the Police Civilian Oversight Authority. Dr. Hall was inducted into the Private Sector Organisation of Jamaica Hall of Fame in October 2005.

Dahlia Kelly, BSc, is Managing Director of Patsy Kelly and Associates, an Executive Placement Service. She has served in various positions at Jamaica Producers Group, and serves on the Board's Executive Committee. Mrs. Kelly is also a Director of the Urban Development Corporation (UDC), the Caymanas Development Company and the Pegasus Hotel.

Donovan H. Perkins, BA (Hons.), MBA is the President and Chief Executive Officer of Pan Caribbean Financial Services Limited. Prior to joining Pan Caribbean, he worked with Bank of America in Corporate Banking. Mr. Perkins has served as a Director of Jamaica Producers Group since July 2007. In addition, he sits on the Boards of Pan Jamaican Investment Trust Limited, First Jamaica Investment Limited, the Jamaica Stock Exchange, the National Water Commission and the National Insurance Fund. Mr. Perkins holds a Bachelor's Degree in Finance (Hons.) from the University of South Florida and an MBA with concentrations in Finance and Marketing from the Darden School at the University of Virginia.

Alvin Wint, BSc, MBA, DBA, is currently Professor of International Business and Pro Vice Chancellor and Chair of the Board for Undergraduate Studies at the University of the West Indies. He joined the Board of Jamaica Producers Group in June 1998 and is a member of the Group's Audit Committee. He also serves on the boards of several companies in the NCB Group and is a director of the Planning Institute of Jamaica. He is Chairman of the Audit Committees of the Boards of NCB Jamaica Limited and NCB Insurance Company Limited. Professor Wint, who holds a doctorate in International Business from Harvard University, has served as an expert resource person for the United Nations and is a former consultant to the World Bank. He was a recipient of the prestigious UWI Vice-Chancellor's Award for Excellence in 2003 and the Mona School of Business 21st Anniversary Award in November 2008.

Aubrey E. Ffrench, *Hon. Director (since September 2007)* joined the staff of Jamaica Producers Group in 1961 and was appointed a member of the Board in 1990. Prior to that, he served Jamaica Producers Group in the capacity of Accountant, Manager and as Company Secretary for over 23 years at his retirement in 1994.

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DIRECTORS' REPORT

The Directors present this report, the Chairman's Statement and the Audited Financial Statements of the Company and the Group for the year 2009 to the 73rd Annual General Meeting.

FINANCIAL STATEMENTS

The Group's financial statements are shown on pages 20 to 67 of this publication.

Highlights are:

	2009 $M	2008 $M
Gross Operating Revenue	6,259*	13,003
Group Attributable Profit/(Loss)	210	(2,856)
Retained earnings January 1	1,372	4,271
Retained earnings December 31	1,556	1,372
Profit/(Loss) per stock unit:-		
based on stock units in issue	112.09¢	(1,527.18)¢
after excluding stocks held by the ESOP	123.84¢	(1,683.67)¢
Stockholders' Funds per stock unit at December 31, net of stock units held by the ESOP, amounted to	$26.77	$24.73

* Reduction from 2008 resulted from discontinued operations which had operating revenue of $9,353 million for 2008.

DIVIDENDS		**$'000**
Interim of 15 cents per ordinary stock unit	- paid February 5, 2010	28,054

No final dividend is recommended in respect of 2009.

AUDITORS

The Auditors, KPMG, Chartered Accountants, 6 Duke Street, Kingston, Jamaica have expressed their willingness to continue in office.

DIRECTORS

Your Directors who served diligently during the year are: -
The Hon. Oliver Clarke, OJ, JP, BSc (Econ.), FCA
The Hon. Emil C. George, OJ, QC, BCL, MA (Oxon.)
Mr. Jeffrey McG. Hall, BA, MPP, JD - Group Managing Director
Marshall McG. Hall, CD, PhD
Mr. Charles Johnston, CD, BSc (Econ.) - Chairman
Mrs. Dahlia Kelly, BSc
Mr. David McConnell
Mr. John O. Minott, CD, BCom, JP
Mrs. Kathleen A. J. Moss, BSc, MBA, CBV
Mr. Donovan H. Perkins, BA (Hons.), MBA
Prof. Alvin G. Wint, BSc, MBA, DBA

The Hon. Oliver Clarke retires by rotation and being eligible offers himself for re-election in accordance with the Articles of Association. Mr. David McConnell also retires by rotation, however, is not seeking re-election.

C. H. Johnston
Chairman
April 15, 2010

BOARD COMMITTEES

AUDIT COMMITTEE

Mrs. Kathleen A. J. Moss - Chair
Mr. Jeffrey Hall
Dr. Marshall Hall
Mr. Charles Johnston
Mr. J.O. Minott
Prof. Alvin G. Wint

COMPENSATION COMMITTEE

Mr. Charles Johnston - Chair
Dr. Marshall Hall
Mrs. Kathleen A. J. Moss

EXECUTIVE COMMITTEE

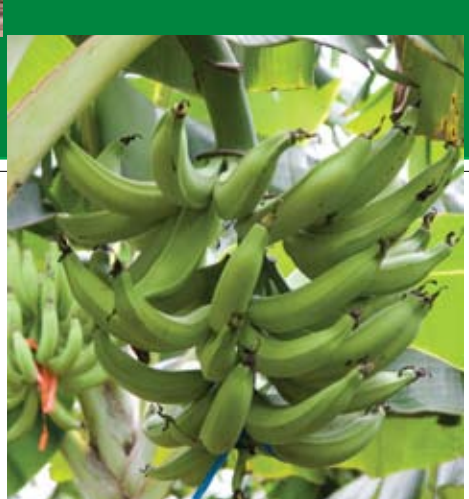
Mr. Charles Johnston - Chair
Mr. Jeffrey Hall
Dr. Marshall Hall
Mrs. Dahlia Kelly
Mr. J.O. Minott
Mrs. Kathleen A. J. Moss

Hon. Christopher Tufton, Min. of Agriculture, launches JP St. Mary's Cassava Chips.

Hon. Bharrat Jagdeo, Pres. of Guyana, visits JP Farms and samples our chips.

JP sponsors the Scott's Hall Primary School reading laboratory.

JP wins the Ja. Bureau of Standards National Quality Award for Excellence in Manufacturing for the third time in a row.



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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the consolidated financial statements of Jamaica Producers Group Limited and its subsidiaries ("group"), set out on pages 20 to 67 which comprise the group's balance sheet as at December 31, 2009, the group's profit and loss account, statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Elizabeth A. Jones
Caryl A. Fenton
R. Tarun Handa
Patrick A. Chin
Patricia O. Dailey-Smith

Linroy J. Marshall
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers

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To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements, continued

Opinion

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

Additional reporting requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner so required.

KPMG

February 25, 2010

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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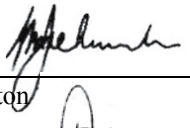
Norman O. Rainford
Nigel R. Chambers

GROUP BALANCE SHEET

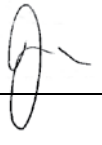
December 31, 2009

	Notes	2009 $'000	2008 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(c),4	227,000	221,437
Short-term investments	3(d),5	489,233	814,908
Securities purchased under resale agreements	3(e)	434,534	162,518
Accounts receivable	6	700,250	403,838
Taxation recoverable		137,648	157,354
Inventories	7	278,880	401,349
Total current assets		2,267,545	2,161,404
CURRENT LIABILITIES			
Bank overdrafts	8	-	313
Accounts payable	9	906,429	1,066,783
Taxation		36,978	20,485
Unclaimed dividends		-	21,935
Current portion of long-term loans	19	55,919	45,778
Total current liabilities		999,326	1,155,294
WORKING CAPITAL		1,268,219	1,006,110
NON-CURRENT ASSETS			
Biological assets	10	2,001	19,102
Interest in joint venture	11	88,014	69,060
Investments	12	1,477,104	1,596,256
Goodwill	13	568,778	490,454
Deferred tax assets	14	20,199	88,357
Property, plant and equipment	15	1,187,745	1,027,745
Total non-current assets		3,343,841	3,290,974
Total assets less current liabilities		4,612,060	4,297,084
EQUITY			
Share capital	16	18,702	18,702
Reserves	17	4,513,191	4,167,412
Total equity attributable to equity holders of the parent		4,531,893	4,186,114
MINORITY INTEREST		595	-
Total equity		4,532,488	4,186,114
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	-	7,971
Employee benefit obligation	18	9,674	-
Long-term loans	19	69,898	102,999
Total non-current liabilities		79,572	110,970
Total equity and non-current liabilities		4,612,060	4,297,084

The financial statements on pages 20 to 67 were approved for issue by the Board of Directors on February 25, 2010 and signed on its behalf by:



_____ Chairman
C. H. Johnston



_____ Managing Director
J. Hall

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

GROUP PROFIT AND LOSS ACCOUNT

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000*
CONTINUING OPERATIONS			
Gross operating revenue	21	6,259,033	3,650,096
Cost of operating revenue		(4,805,758)	(3,004,698)
Gross profit		1,453,275	645,398
Marketing, selling and distribution costs		(330,366)	(90,825)
Administration and other operating expenses		(922,887)	(1,114,996)
Profit/(loss) from continuing operations		200,022	(560,423)
Share of loss in joint venture		(9,181)	(1,624)
Net gain/(loss) from fluctuations in exchange rates		7,971	(21,712)
Impairment loss on investments		-	(15,392)
Gain on disposal of property, plant and equipment and investments		59,645	34,800
Reorganization and restructuring recovery	1	-	133,582
Recovery from pension scheme		-	92,803
Other income		57,127	82,699
Profit/(loss) from continuing operations before finance cost and taxation		315,584	(255,267)
Finance cost - interest		(8,022)	(24,759)
Profit/(loss) from continuing operations before taxation		307,562	(280,026)
Taxation (charge)/credit	22	(97,814)	29,271
Profit/(loss) from continuing operations after taxation		209,748	(250,755)
DISCONTINUED OPERATIONS			
Loss from discontinued operations after taxation	23	-	(1,643,774)
Loss on disposal of interest in subsidiaries		-	(961,938)
Profit/(loss) for the year	24	209,748	(2,856,467)
Attributable to:			
Parent company stockholders		209,643	(2,856,199)
Minority interest		105	(268)
		209,748	(2,856,467)
Dealt with in the financial statements of:			
The company		157,622	(396,661)
Subsidiary companies		61,202	(2,457,914)
Joint venture company		(9,181)	(1,624)
		209,643	(2,856,199)
Profit/(loss) per ordinary stock unit:			
Based on stock units in issue	25	112.09¢	(1,527.18)¢
After exclusion of stock units held by ESOP	25	123.84¢	(1,683.67)¢

*These figures include approximately six months of activity in our Dutch subsidiary acquired in 2008. (See note 1)
The accompanying notes form an integral part of the financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2009

	2009 $'000	2008 $'000
Net profit/(loss) for the year	209,748	(2,856,467)
Other comprehensive income:		
Exchange gains/(losses) on translating foreign operations	221,820	(189,225)
Cumulative realised exchange gains on disposal of subsidiaries transferred to group profit and loss account	-	(696,296)
Available-for-sale financial assets:		
Revaluation losses arising during the year	(32,089)	(1,133,795)
Impairment loss recognised in group profit and loss account	-	15,392
Realised revaluation gains transferred to group profit and loss account	(48,335)	(38,471)
	141,396	(2,042,395)
Total comprehensive income/(expense) for the year	351,144	(4,898,862)
Attributable to:		
Parent company stockholders	351,039	(4,896,806)
Minority interest	105	(2,056)
	351,144	(4,898,862)

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2009

	Share capital $'000 (note 16)	Share premium $'000	Capital reserves $'000	Fair value reserve $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders' equity $'000	Minority interest $'000	Total equity $'000
Balances at December 31, 2007	18,702	135,087	2,484,532	2,327,998	(160,300)	4,270,556	9,076,575	5,604	9,082,179
Changes in equity:									
Loss for the year	-	-	-	-	-	(2,856,199)	(2,856,199)	(268)	(2,856,467)
Other comprehensive income									
Exchange losses arising on retranslation of foreign operations	-	-	(187,437)	-	-	-	(187,437)	(1,788)	(189,225)
Cumulative realised exchange gains on disposal of subsidiaries transferred to group profit and loss account	-	-	(696,296)	-	-	-	(696,296)	-	(696,296)
Change in fair value of available-for-sale investments	-	-	-	(1,133,795)	-	-	(1,133,795)	-	(1,133,795)
Impairment loss on available-for-sale investments recognised in group profit and loss account	-	-	-	15,392	-	-	15,392	-	15,392
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(38,471)	-	-	(38,471)	-	(38,471)
	-	-	(883,733)	(1,156,874)	-	-	(2,040,607)	(1,788)	(2,042,395)
Total comprehensive expense for the year	-	-	(883,733)	(1,156,874)	-	(2,856,199)	(4,896,806)	(2,056)	(4,898,862)
Other changes in equity									
Minority interest released on disposal of subsidiaries	-	-	-	-	-	-	-	(3,548)	(3,548)
Own shares acquired by ESOP	-	-	-	-	(30,198)	-	(30,198)	-	(30,198)
Unclaimed distributions to stockholders (note 26)	-	-	78,865	-	-	-	78,865	-	78,865
	-	-	(804,868)	(1,156,874)	(30,198)	(2,856,199)	(4,848,139)	(5,604)	(4,853,743)
Distributions to stockholders (note 26)	-	-	-	-	-	(42,322)	(42,322)	-	(42,322)
Balances at December 31, 2008	18,702	135,087	1,679,664	1,171,124	(190,498)	1,372,035	4,186,114	-	4,186,114
Retained in the financial statements of:									
The company	18,702	135,087	1,557,652	1,168,623	-	355,217	3,235,281		
Subsidiary companies	-	-	123,097	2,501	(190,498)	1,025,009	960,109		
Joint venture company	-	-	(1,085)	-	-	(8,191)	(9,276)		
Balances at December 31, 2008	18,702	135,087	1,679,664	1,171,124	(190,498)	1,372,035	4,186,114		

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

GROUP STATEMENT OF CHANGES IN EQUITY (Continued)

Year ended December 31, 2009

	Share capital $'000 (note 16)	Share premium $'000	Capital reserves $'000	Fair value reserve $'000	Reserve for own shares $'000	Retained profits $'000	Parent company stockholders' equity $'000	Minority interest $'000	Total equity $'000
Balances at December 31, 2008	18,702	135,087	1,679,664	1,171,124	(190,498)	1,372,035	4,186,114	-	4,186,114
Changes in equity:									
Profit for the year	-	-	-	-	-	209,643	209,643	105	209,748
Other comprehensive income									
Exchange losses arising on retranslation of foreign operations	-	-	221,820	-	-	-	221,820	-	221,820
Change in fair value of available-for-sale investments	-	-	-	(32,089)	-	-	(32,089)	-	(32,089)
Realised revaluation gains on available-for-sale investments transferred to group profit and loss account	-	-	-	(48,335)	-	-	(48,335)	-	(48,335)
	-	-	221,820	(80,424)	-	-	141,396	-	141,396
Total comprehensive income for the year	-	-	221,820	(80,424)	-	209,643	351,039	105	351,144
Other changes in equity									
Issue of share capital in subsidiary	-	-	-	-	-	-	-	490	490
Unclaimed distributions to stockholders (note 26)	-	-	20,134	-	-	-	20,134	-	20,134
	-	-	241,954	(80,424)	-	209,643	371,173	595	371,768
Distributions to stockholders (note 26)	-	-	-	-	-	(25,394)	(25,394)	-	(25,394)
Balances at December 31, 2009	18,702	135,087	1,921,618	1,090,700	(190,498)	1,556,284	4,531,893	595	4,532,488
Retained in the financial statements of:									
The company	18,702	135,087	1,577,786	1,039,641	-	484,785	3,256,001		
Subsidiary companies	-	-	346,067	51,059	(190,498)	1,088,871	1,295,499		
Joint venture company	-	-	(2,235)	-	-	(17,372)	(19,607)		
Balances at December 31, 2009	18,702	135,087	1,921,618	1,090,700	(190,498)	1,556,284	4,531,893		

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

GROUP STATEMENT OF CASH FLOWS

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year attributable to parent company stockholders		209,643	(2,856,199)
Adjustments to reconcile net profit/(loss) for the year to net cash provided/(used) by operating activities:			
Items not involving cash:			
Depreciation and impairment losses – property, plant and equipment	15	132,352	750,821
Amortisation and impairment losses - biological assets	10	24,834	19,325
Exchange movement in working capital		50,174	217,711
Deferred tax, net	14	62,125	(542,320)
Taxation charge	22(e)	35,689	24,903
Employee benefits, net		9,344	(45,067)
Impairment loss on investments		-	15,392
Gain on disposal of property, plant and equipment and investments		(59,645)	(34,800)
Share of loss in joint venture		9,181	1,624
Loss on disposal of interest in subsidiaries	13	-	961,938
Minority interest in profit/(loss) for the year		105	(268)
Deferred income amortised		-	(122,590)
Interest earned		(67,002)	(153,521)
Interest expense		8,022	119,380
		414,822	(1,643,671)
(Increase)/decrease in current assets:			
Accounts receivable		(287,152)	1,090,002
Taxation recoverable		19,706	5,962
Inventories		122,469	437,128
Decrease in current liabilities:			
Accounts payable		(158,888)	(1,032,445)
Net cash provided/(used) by operating activities		110,957	(1,143,024)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Biological assets	10	(5,983)	(14,373)
Short-term investments		325,675	763,188
Interest received		57,742	157,887
Securities purchased under resale agreements		(272,016)	171,488
Additions to property, plant and equipment	15	(216,562)	(459,935)
Proceeds from disposal of property, plant and equipment and investments, net of own shares acquired by ESOP		150,143	412,144
Proceeds, net of cash from disposal of subsidiaries		-	265,546
Interests in associated and joint venture companies		(21,675)	(23,116)
Acquisition of subsidiaries		-	(840,465)
Additions to investments		(31,165)	(117,955)
Net cash (used)/provided by investment activities		(13,841)	314,409

GROUP STATEMENT OF CASH FLOWS (Cont'd)

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank overdrafts and short-term loans		(313)	(6,867)
Long-term loans		(54,557)	(291,948)
Interest paid		(9,488)	(13,870)
Unclaimed distributions to stockholders		(21,935)	(60,978)
Distributions to stockholders, net	26	(5,260)	36,543
Net cash used by financing activities		(91,553)	(337,120)
Net increase/(decrease) in cash and cash equivalents		5,563	(1,165,735)
Cash and cash equivalents at beginning of the year	4	221,437	1,387,172
Cash and cash equivalents at end of the year	4	227,000	221,437

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

1. The company

Jamaica Producers Group Limited ("company") is incorporated and domiciled in Jamaica. The company's registered office is located at 6A Oxford Road, Kingston 5.

The main activities of the company and its subsidiaries ("group") (note 33) are juice and food manufacturing, the cultivation, marketing and distribution of bananas locally, shipping and the holding of investments.

In the previous year, and with effect from July 4, 2008, the group purchased 100% of the share capital of A. L. Hoogesteger Fresh Specialist B.V. (Hoogesteger) from Friesland Foods B.V. for a net price of €7.6 million. Hoogesteger is Holland's leading fresh juice and smoothie manufacturer.

In the previous year, the group sold its loss making subsidiary Serious Desserts Limited, for £2.75 million. However, with effect from January 28, 2009 the rest of the Serious Food Group ("Serious") was placed in administration. As a consequence the net assets of Serious were included in the 2008 accounts as discontinued items, and are shown as comparative discontinued items in the current year. Included within discontinued items were exceptional charges of $304 million for impairment of property, plant and equipment and $134 million in costs related to the administration of Serious [note 23 (a)].

In the previous year, a total of $134 million of income was included as exceptional items and separately disclosed under reorganization and restructuring in the profit and loss account of continuing operations. This included $75 million in redundancies and $37 million in container off-hiring costs which was offset by a loan waiver credit of $248 million arising as a result of a force majeure and representing partial recovery of banana resuscitation costs charged to the profit and loss account following Hurricane Dean in 2007.

There have been no discontinued operations or exceptional items in the current year.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

Certain new IFRS and interpretations of, and amendments to, existing standards, which were in issue, came into effect for the current financial year.

The adoption of the following standards and amendments resulted in additional disclosures in the financial statements as described:

- *IAS 1 (Revised) Presentation of Financial Statements,* requires the presentation of all non-owners' changes in equity in one or two statements: either in a single statement of comprehensive income, or in an income statement and a statement of comprehensive income. The adoption of this has led to the inclusion of the statement of comprehensive income on page 22.

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

- Amendments to *IFRS 7 Financial Instruments: Disclosures* require enhanced disclosures in respect of two aspects: disclosures over fair value measurement relating to financial instruments specifically in relation to disclosures over the inputs used in valuation techniques and the uncertainty associated with such valuations; and improving disclosures over liquidity risk to address current diversity in practice. The enhanced disclosures have been incorporated into note 32 where applicable.

- *IFRS 8 Operating Segments* requires segment disclosure based on the components of the group that management monitors in making decisions about operating matters, as well as qualitative disclosures on segments. Segments will be reportable based on threshold tests related to revenues, results and assets. The enhanced disclosures have been incorporated into note 31 where applicable.

The adoption of the following standards did not result in any change in accounting policies or additional disclosures and did not have any effect on the group's financial statements:

- *Amendments to IFRS 2 Share-based payment – Vesting Conditions and Cancellations* is effective for annual periods beginning on or after January 1, 2009. Under the amendment, non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes.

- *IAS 23(Revised) - Borrowing Costs* removes the option of either capitalising borrowing costs relating to qualifying assets or expensing all borrowing costs, and requires management to capitalise borrowing costs attributable to qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale.

- *IFRIC 13 Accounting for Customer Loyalty Programmes,* creates consistency in accounting for customer loyalty plans. The interpretation is applicable to all entities that grant awards as part of a sales transaction (including awards that can be redeemed for goods or services not supplied by the entity).

- *IFRIC 15 – Agreements for the Construction of Real Estate* provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognized.

- *IFRIC 16 – Hedges of a Net Investment in a Foreign Operation* applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. IFRIC 16 clarifies that a parent entity is only allowed to designate as a hedged risk, the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New standards, and interpretations of and amendments to existing standards, that are not yet effective:

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

- *Revised IFRS 3 Business Combinations* becomes effective for annual reporting periods beginning on or after July 1, 2009. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. New disclosure requirements have been introduced. The revisions are not expected to have any significant impact on the 2010 financial statements.

- *IAS 27 (Revised) Consolidated and Separate Financial Statements* becomes effective for annual reporting periods beginning on or after July 1, 2009. It requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. It also specifies the accounting when control is lost, requiring that any remaining interest in the entity be re-measured to fair value, and a gain or loss be recognized in profit or loss. The group is assessing the impact the revision will have on the 2010 financial statements.

- *IAS 39 (Amendment), Financial Instruments: Recognition and Measurement* becomes effective for annual reporting periods beginning on or after July 1, 2009. The amendment provided 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.

  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. The group is assessing the impact the amendment will have on the 2010 financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

- *IFRIC 17, Distribution of Non-Cash Assets to Owners* is effective for annual reporting periods beginning on or after July 1, 2009 and is required to be applied prospectively; earlier application is permitted. IFRIC 17 provides that a dividend payable should be recognized when appropriately authorized 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. This interpretation is not expected to have any significant impact on the financial statements.

- *IFRS 9, Financial Instruments,* is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The standard is not expected to have any significant impact on the 2013 financial statements.

- *Amendment to IAS 32 Financial Instruments: Presentation,* is effective for annual reporting periods beginning February 1, 2010. The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The group is assessing the impact, if any, the amendment will have on the financial statements.

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value. The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation (continued):

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

(i) Pension and other post-retirement benefits

The amounts recognised in the group's balance sheet and profit and loss account for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets and the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations.

The expected return on plan assets is assumed considering the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on rates on high quality corporate bonds that have maturity date approximating the tenure of the group's obligation. Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

(ii) Impairment of goodwill

Impairment of goodwill is dependent upon management's internal assessment of future cash flows from cash-generating units that gave rise to the goodwill. That internal assessment determines the amount recoverable from future use of those units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used (note 13).

It is possible, based on existing knowledge, that outcomes that are different from these assumptions could require a material adjustment to the carrying amount reflected in future financial statements.

3. Significant accounting policies

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

(a) Basis of consolidation:

Subsidiaries are those entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities. The consolidated financial statements include the financial statements of all subsidiaries, including an Employees Share Ownership Plan (ESOP) classified as a special purpose entity [note 17(i)], made up to December 31, 2009.

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

December 31, 2009

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, over the financial and operating policies. The consolidated financial statements include the group's share of the total recognised gains and losses of joint ventures on the equity accounting basis (note 11). When the group's share of losses exceeds its interest in a joint venture 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 a joint venture. If the joint venture subsequently reports gains, the group resumes recognising its share of those gains only after its share of gains equals the share of losses not recognised.

Inter-company balances and transactions, and any unrealised gains arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies:

The group's foreign assets and liabilities are translated at the buying rates of exchange ruling at the balance sheet date [note 32(b)(ii)]. Items in the foreign subsidiaries' profit and loss account are translated at rates of £1 to J$136.39 (2008: J$133.89), US$1 to J$88.05 (2008: J$72.82), €1 to J$122.95 (2008: J$104.62) being the weighted average rates of exchange ruling for the year.

Other transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from translating income statement items are included in the group profit and loss account. Unrealised portions of such gains are, ultimately, transferred to capital reserve. Exchange differences arising on other changes to stockholders' interests are reflected in other capital reserves [note 17(ii)].

(c) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables maturing within one year. They are acquired for their earnings potential and for balancing the group's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements ('reverse repos') are short-term transactions in which the purchaser makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(f) Trade and other receivables:

Trade and other receivables are stated at amortised cost, less impairment losses [see note 3(m)].

(g) Inventories:

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

(h) Trade and other payables:

Trade and other payables, including provisions, are stated at their amortised cost. A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Biological assets:

Biological assets represent the cost of primarily banana plants which are capitalised up to maturity. These are stated at cost, less accumulated amortisation and impairment losses, as fair value cannot be reliably determined. The costs are normally amortised over a period of seven years. Certain subsidiaries have taken those costs to their profit and loss accounts in the year incurred due to the uncertainty of future profits from which those costs would normally be recovered.

December 31, 2009

3. Significant accounting policies (continued)

(j) Investments:

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the group has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held by the group are classified as being available-for-sale and are stated at fair value with changes in fair value taken to fair value reserve except for impairment losses and foreign exchange gains and losses in the case of monetary items, such as debt securities. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in group profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain debt and equity securities.

The fair value of quoted available-for-sale investments is their bid price.

Available-for-sale investments are recognised/derecognised by the group on the date it commits to purchase or sell the investments. Other investments are recognised/derecognised on the day they are transferred to/by the group.

(k) Goodwill:

Goodwill represents amounts arising on acquisition of subsidiaries after 1995. It comprises the excess of the cost of acquisition over the fair value of the net identifiable assets acquired less contingent liabilities, and deemed cost at March 31, 2004.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units (note 13) and is no longer amortised but tested annually for impairment.

(l) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the costs of material 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. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(l) Property, plant and equipment (continued):

(ii) Leased assets

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leasing arrangements in the United Kingdom are stated at an amount equal to the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, calculated in accordance with the policy in (iv) below, and impairment losses. After deducting interest attributable to future periods, the net amount payable is included in accounts payable.

(iii) Subsequent costs

The group recognises in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably.

(iv) Depreciation

Property, plant and equipment, including leased assets, with the exception of freehold land on which no depreciation is provided, are depreciated on the straight-line basis at annual rates, varying between 2% and 50%, estimated to write down the assets to residual values over their expected useful lives. Computer software and equipment are depreciated on the straight-line basis at rates between 25% and 100% per annum. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(m) Impairment:

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

Impairment losses in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of other assets in the unit on a pro rata basis. Impairment losses are recognised in the group profit and loss account.

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

3. Significant accounting policies (continued)

(m) Impairment (continued):

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. When a decline in the fair value of an available-for-sale investment 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 group profit or loss even though the investment has not been derecognised.

The amount of the cumulative loss that is recognised in group profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in group profit or loss.

(i) Calculation of recoverable amount

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

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity security, loan or 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 group profit or loss.

An impairment loss in respect of goodwill is not reversed.

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 amortization, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(n) 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, annual leave and non-monetary benefits such as medical care and housing, post-employment 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:

- Current 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, comprising pensions and other post-employment obligations included in the financial statements, are actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the group's post-employment benefit obligation as computed by the actuary. In carrying out their audit, the auditors rely on the actuary's report.

Defined-benefit pension plans

The group's net obligation in respect of its defined-benefit pension plans is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the balance sheet date on high-quality corporate bond of maturities approximating the tenure of the group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the group profit and loss account on the straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately, the expense is recognised immediately in the group profit and loss account.

To the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined-benefit obligation and the fair value of plan assets, that portion is recognised in the group profit and loss account over a period representing 50% of the average remaining working lives of staff members in the plan.

Where the calculation results in a pension surplus to the group, the recognised asset is limited to the present value of any future refunds from the plan, or reductions in future contributions to the plan, less any unrecognised actuarial losses and past service costs.

December 31, 2009

3. Significant accounting policies (continued)

(o) Revenue:

Revenue from the sale of goods is recognised in the group profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the group profit and loss account in proportion to the stage of completion of the transaction at the balance sheet date.

(p) Finance costs:

Finance costs represent interest payable on borrowings calculated using the effective interest rate method.

(q) Interest income:

Interest income is recognised in the group profit and loss account as it accrues, taking into account the effective yield on the asset.

(r) Taxation:

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

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

Deferred 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 balance sheet 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.

(s) Segment reporting:

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(t) Discontinued operations:

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

4. Cash and cash equivalents

	2009 $'000	2008 $'000
Cash and bank balances	227,000	213,777
Deposits	-	7,660
	227,000	221,437
Movement on cash and cash equivalents:		
Balance at beginning of the year	221,437	1,387,172
Net cash outflows	(99,584)	(1,335,610)
Released on disposal of subsidiary	-	(31,472)
From acquisition of subsidiary	-	86,199
Unrealised exchange gains	105,147	115,148
Balance at the end of the year	227,000	221,437

5. Short-term investments

	2009 $'000	2008 $'000
Loans and receivables:		
Government of Jamaica securities	-	48,000
Fixed deposits	489,233	766,908
	489,233	814,908

6. Accounts receivable

	2009 $'000	2008 $'000
Trade receivables	564,645	256,950
Staff receivables	14,098	17,221
Other receivables and prepayments	165,011	205,911
	743,754	480,082
Less: allowance for impairment	(43,504)	(76,244)
	700,250	403,838

December 31, 2009

6. Accounts receivable (continued)

The movement in allowance for impairment in respect of accounts receivable during the year is as follows:

	2009 $'000	2008 $'000
Balance at beginning of year	76,244	111,118
Impairment losses recognised	6,771	48,449
Impairment losses reversed	-	(17,126)
Amounts written off as uncollectible	(20,631)	(5,258)
Amounts recovered during the year	(24,660)	(425)
Released on disposal of subsidiaries during the year	-	(53,903)
Exchange loss/(gain) on retranslation	5,780	(6,611)
Balance at end of year	43,504	76,244

The allowance for impairment of accounts receivable is used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible, at which point the amount considered irrecoverable is written off against the receivable directly.

The aging of trade receivables at the reporting date was:

	Gross		Impairment	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Not past due	446,778	133,709	-	-
Past due 0 - 30 days	57,474	53,109	-	-
Past due 31 - 120 days	32,016	31,785	484	8,320
Past due 121 days - 1 year	14,427	4,241	2,320	2,362
More than 1 year	13,950	34,106	10,710	32,613
	564,645	256,950	13,514	43,295

Amounts due from directors in the ordinary course of business include $Nil (2008: $31,181) in trade receivables and $9,778 (2008: $128,393) in staff receivables [note 30 (b)].

7. Inventories

	2009 $'000	2008 $'000
Processed goods	39,610	16,789
Raw materials and consumables	230,510	356,326
Spare parts and other	8,760	28,234
	278,880	401,349

8. Bank overdrafts

The overdraft facility of the company is unsecured (note 15).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

9. Accounts payable

	2009 $'000	2008 $'000
Trade payables	408,298	428,647
Dividend payable	25,394	-
Other	472,737	638,136
	906,429	1,066,783

10. Biological assets

	2009 $'000	2008 $'000
Balance at beginning of the year	19,102	21,768
Increase due to new plantings	5,983	14,373
Impairment losses	-	(547)
Amortisation for the year	(24,834)	(18,778)
Unrealised exchange gain	1,750	2,286
Balance at end of the year	2,001	19,102

11. Interest in joint venture

The group's 50% joint venture investment in a banana and plantain chip manufacturing business in the Dominican Republic is set out below, using the equity method:

	2009 $'000	2008 $'000
Shares, at cost, less amounts written off	31,154	29,773
Group's share of reserves	(19,607)	(9,276)
Loan account receivable	76,467	48,563
	88,014	69,060

12. Investments

	2009 $'000	2008 $'000
Available-for-sale securities:		
Quoted	1,388,067	1,513,844
Unquoted	25	25
	1,388,092	1,513,869
Loans and receivables:		
Government of Jamaica bonds	89,012	79,962
Refundable deposits	-	2,425
	89,012	82,387
	1,477,104	1,596,256

12. Investments (continued)

Market values of quoted investments are computed using listed bid prices.

It is the opinion of the directors that the fair value of unquoted investments approximates at least to their carrying value.

Included in available-for-sale securities is a quoted investment having a fair value at year-end of $360,270,000 which is being held as collateral for the long-term loan having a balance owing of £900,000 as shown in note 19.

13. Goodwill

Goodwill comprises the following significant carrying amounts:

	2009		2008	
Group of cash-generating units	Discount rate	$'000	Discount rate	$'000
Juice manufacturing business	10%	297,745	10%	248,757
Shipping business	10%	232,091	10%	202,755
Other units	20%	38,942	20%	38,942
		568,778		490,454

In testing goodwill for impairment, recoverable amounts of cash-generating units are estimated based on value in use. Where the recoverable amounts exceed the carrying amounts, no impairment allowance is made. The recoverable amounts of cash-generating units are arrived at by estimating their future cashflows and discounting those cashflows using long-term discount rates applicable to the countries in which the businesses operate. Future sustainable cashflows are estimated based on the most recent forecasts, after taking account of past experience. Each unit is regarded as saleable to a third party at any future date at a price sufficient to recover its carrying amount of goodwill. The movement in goodwill during the year comprises:

	2009 $'000	2008 $'000
Goodwill at January 1	490,454	852,671
Acquisitions during the year	-	250,822
Adjustments in relation to acquisition in previous year	13,893	-
Total relating to acquisitions	13,893	250,822
	504,347	1,103,493
Released on disposal of subsidiaries	-	(535,308)
	504,347	568,185
Exchange gain/(loss) on retranslation	64,431	(77,731)
Goodwill at December 31	568,778	490,454

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

13. Goodwill (continued)

The loss on disposal of subsidiaries in the previous year comprises:

	Serious Desserts $'000	Rest of Serious $'000	2008 $'000
Sale proceeds	297,018	-	297,018
Net assets sold/disposed:			
Property, plant and equipment	214,216	1,629,451	1,843,667
Goodwill	-	535,308	535,308
Other non-current assets	-	434,086	434,086
Cash	-	31,472	31,472
Accounts receivable	46,102	1,213,677	1,259,779
Inventories	16,927	368,509	385,436
Accounts payable	(16,376)	(1,722,736)	(1,739,112)
Other current liabilities	-	(200,276)	(200,276)
Long-term loans	-	(575,538)	(575,538)
Other non-current liabilities	-	(16,022)	(16,022)
Minority interest	-	(3,548)	(3,548)
	260,869	1,694,383	1,955,252
Gain/(loss) before transfer of unrealised exchange gains	36,149	(1,694,383)	(1,658,234)
Unrealised exchange gains transferred from capital reserve	-	696,296	696,296
Net loss on disposal of subsidiaries	36,149	(998,087)	(961,938)

14. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax Assets		Liabilities		Net	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Property, plant and equipment	9,747	9,093	-	-	9,747	9,093
Employee benefits	2,419	-	-	-	2,419	-
Other liabilities	4,791	29,743	-	-	4,791	29,743
Other assets	(5,977)	-	-	(7,971)	(5,977)	(7,971)
Tax losses carried forward	9,219	49,521	-	-	9,219	49,521
	20,199	88,357	-	(7,971)	20,199	80,386

December 31, 2009

14. Deferred tax assets and liabilities (continued)

Movement on net deferred tax during the year is as follows:

	2009 $'000	2008 $'000
Net deferred tax assets at beginning of year	80,386	18,415
Recognised in loss on disposal of subsidiary	-	(411,426)
Recognised in taxation (charge)/credit [note 22(a)(ii)]	(62,125)	542,320
Retranslation gain/(loss)	1,938	(68,923)
Net deferred tax assets at end of year	20,199	80,386

15. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
At cost:					
December 31, 2007	795,622	312,550	4,674,893	114,457	5,897,522
Additions	17,876	11,672	413,189	17,198	459,935
Acquisitions	416,908	-	145,129	34,930	596,967
Transfers	(152,495)	159,742	8,306	45,856	61,409
Disposals	-	(31,061)	(41,431)	-	(72,492)
Released on disposal of subsidiaries	(407,992)	(151,223)	(3,522,449)	-	(4,081,664)
Exchange adjustments	(92,203)	(7,699)	(733,473)	701	(832,674)
December 31, 2008	577,716	293,981	944,164	213,142	2,029,003
Additions	21,463	711	191,192	3,196	216,562
Transfers	4,967	108,614	49,615	(163,196)	-
Disposals	(2,881)	(182,545)	(226,601)	-	(412,027)
Exchange adjustments	72,984	-	46,862	7,330	127,176
December 31, 2009	674,249	220,761	1,005,232	60,472	1,960,714
Depreciation and impairment:					
December 31, 2007	291,648	286,421	2,289,666	85,990	2,953,725
Charge for the year	27,373	9,668	403,441	3,898	444,380
Impairment losses	-	-	303,652	2,789	306,441
Transfers	(20,752)	27,559	8,871	45,731	61,409
Eliminated on disposals	-	(28,530)	(40,153)	-	(68,683)
Released on disposal of subsidiaries	(218,702)	(32,814)	(1,986,481)	-	(2,237,997)
Exchange adjustments	(47,968)	(1,595)	(408,780)	326	(458,017)
December 31, 2008	31,599	260,709	570,216	138,734	1,001,258
Charge for the year	25,928	2,563	90,828	13,033	132,352
Transfers	9	85,482	49,019	(134,510)	-
Eliminated on disposals	(1,545)	(182,199)	(193,412)	-	(377,156)
Exchange adjustments	2,541	-	12,900	1,074	16,515
December 31, 2009	58,532	166,555	529,551	18,331	772,969

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

15. Property, plant and equipment (continued)

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in-progress $'000	Total $'000
Net book values:					
December 31, 2009	615,717	54,206	475,681	42,141	1,187,745
December 31, 2008	546,117	33,272	373,948	74,408	1,027,745
December 31, 2007	503,974	26,129	2,385,227	28,467	2,943,797

Freehold land and buildings include land as follows:

	2009 $'000	2008 $'000
At cost	227,464	202,455
Directors' allocation of cost	4,857	4,857
Total land	232,321	207,312

The company has given an undertaking to one of its bankers not to encumber real estate held at 6A Oxford Road while the company has credit arrangements (note 8).

16. Share capital

Authorised:
500,000,000 ordinary shares at no par value

Stated capital:	2009 $'000	2008 $'000
Issued and fully paid - 187,024,006 ordinary stock units	18,702	18,702

The company's stated capital does not include share premium which is retained in capital reserves (note 17) in accordance with Section 39 (7) of the Act.

17. Reserves

	2009 $'000	2008 $'000
Capital:		
Share premium (note 16)	135,087	135,087
Fair value reserve	1,090,700	1,171,124
Reserve for own shares [see (i) below]	(190,498)	(190,498)
Other [see (ii) below]	1,921,618	1,679,664
	2,956,907	2,795,377
Revenue:		
Retained profits	1,556,284	1,372,035
	4,513,191	4,167,412

17. Reserves (continued)

(i) Reserve for own shares is included in these financial statements by consolidation of the company's Employees Share Ownership Plan (ESOP) as it is regarded as a Special Purpose Entity and is required to be consolidated under IAS 27, as interpreted by the Standing Interpretations Committee (SIC) Statement 12. The reserve comprises the cost of the company's shares held by the group through the ESOP, less net gains on shares sold.

The consolidated financial statements include the group's share of profits/losses of the ESOP based on management accounts for the year ended December 31, 2009. The results of operation of this entity are insignificant in relation to the group.

The number of stock units (note 16) held by the ESOP at December 31, 2009 was 17,732,871 (2008: 17,732,436). Based on the bid price, less a 15% discount normally allowed to staff, the value of those stock units at December 31, 2009 was $346,669,000 (2008: $346,669,000). The value of these stock units is not recognised in the group's reserve for own shares until sold.

(ii) Other capital reserves comprise gains on disposal of property, plant and equipment and investments up to December 31, 2001, unrealised exchange gains and unclaimed distributions to stockholders (note 26).

(iii) Losses in the subsidiary, in excess of the minority's interest in the equity of the subsidiary, are included in the group's results. If the subsidiary subsequently reports profits, such profits are included in the group results, until the minority's share of losses, previously absorbed by the group, has been recovered.

18. Employee benefit obligation

The group operates two defined contribution schemes for all qualifying employees in Jamaica and the UK.

A number of employees in the group's subsidiary in the Netherlands are members of an industry-wide multi-employer defined benefit scheme. This subsidiary is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. The only obligation of the group with respect to this scheme is to make the specified contribution. Accordingly it is treated as a defined contribution scheme for the purpose of the group's accounting. The most recent actuarial valuation of this scheme was performed at 31 December 2009 at which time the fund had a surplus of 6.06%. The next full actuarial valuation will be at 31 December 2010.

At the start of the year the group commenced participation in a defined benefit scheme for certain employees of the group's subsidiary in the Netherlands. This resulted from legal commitments to maintain employee benefits following that subsidiary's acquisition in the previous year. The members of the scheme have chosen not to transfer their accumulated rights from the previous parent's scheme to the new scheme, accordingly the new scheme commenced the year with no assets or liabilities. The group has contracted with an insurance company to cover the committed pension benefits.

Up to 2008 the group participated in a defined benefit pension scheme for some of its UK employees, however this scheme was part of the group's operations that were placed into administration and accordingly the pension assets and obligations were treated as disposals in the prior year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

18. Employee benefit obligation (continued)

(a) Contributions under the two defined-contribution pension schemes and the industry-wide multi-employer scheme during the year amounted to $45,722,000 (2008: $18,123,000).

(b) The amounts recognised in the group's financial statements in respect of the defined-benefit scheme are as follows:

(i) Employee benefit (obligation)/asset:

	2009 $'000	2008 $'000
Present value of funded obligations [see (iii) below]	(19,858)	(506,528)
Fair value of plan assets [see (iv) below]	7,892	546,126
Sub-total	(11,966)	39,598
Elimination of unrecognised actuarial losses/(gains) included in the sub-total above	2,292	(32,960)
Recognised (obligation)/asset	(9,674)	6,638
Released on disposal of subsidiaries	-	(6,638)
Recognised obligation at end of year	(9,674)	-

(ii) Movements in net obligation recognised in the group balance sheet:

	2009 $'000	2008 $'000
Net obligation at January 1	-	(33,906)
Contributions paid	9,713	45,859
Expense recognised in the group profit and loss account	(19,057)	(7,430)
	(9,344)	4,523
Less obligation released on disposal of subsidiaries	-	(6,638)
Exchange (loss)/gain on retranslation	(330)	2,115
Net obligation at December 31	(9,674)	-

(iii) Movements in present value of funded obligation:

	2009 $'000	2008 $'000
Balance at January 1	-	(687,769)
Interest cost	(984)	(39,326)
Current service cost	(16,844)	(30,231)
Employee contributions	(1,352)	-
Benefits paid	-	6,021
Actuarial gain	-	125,408
	(19,180)	(625,897)
Less liability released on disposal of shares in subsidiary	-	506,528
Exchange (loss)/gain on retranslation	(678)	119,369
Balance at December 31	(19,858)	-

18. Employee benefit obligation (continued)

(b) The amounts recognised in the group's financial statements in respect of the defined-benefit scheme are as follows (continued):

(iv) Movements in fair value of plan assets:

	2009 $'000	2008 $'000
Fair value of plan assets at January 1	-	699,677
Expected return on plan assets	492	48,549
Contributions paid	11,065	45,859
Benefits paid	-	(6,021)
Additional charges	(1,721)	-
Actuarial loss	(2,213)	(116,825)
	7,623	671,239
Less plan asset released on disposal of subsidiaries	-	(546,126)
Exchange gain on retranslation	269	(125,113)
Fair value of plan assets at December 31	7,892	-

Plan assets have been underwritten by an insurance contract. It is not possible to identify the allocation of plan assets to equities, bonds or cash.

The fair value of plan assets is determined as the present value of vested benefits, based on a discount rate of 4.9%.

(v) Expense recognised in the group profit and loss account:

	2009 $'000	2008 $'000
Current service cost	(16,844)	(30,231)
Additional charges – insurance premiums	(1,721)	-
Interest on obligation	(984)	(39,326)
Actuarial gain recognised	-	13,578
Expected return on plan assets	492	48,549
Expense recognised in the group profit and loss account	(19,057)	(7,430)

(vi) Principal actuarial assumptions at the balance sheet date:

	2009 %	2008 %
Discount rate	5.30	-
Expected return on plan assets	5.30	-
Future salary increases	2.00	-
Future pension increases	2.00	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

19. Long-term loans

	Current portion		Non-current portion	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank loans	55,919	45,778	69,898	102,999

During the year, there were no new loans. The existing loan of £2,000,000 is secured by a portion of the company's equity investment portfolio (note 12) and is repayable by quarterly installments over a five-year period that commenced April 30, 2007.

The terms and conditions of outstanding loans were as follows:

	Currency	Nominal Interest rate	Year of maturity	Face value 2009 $'000	Carrying value 2009 $'000	Face value 2008 $'000	Carrying value 2008 $'000
Secured bank loan	GBP	UK Prime + 1.0%	2012	125,817	125,817	148,777	148,777

20. Financial income and expenses

	Continuing operations		Discontinued operations	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Recognised in group profit and loss account:				
Financial income				
Interest income on available-for-sale financial assets	12,238	25,512	-	-
Interest income on bank deposits, loans and receivables	50,280	128,009	-	-
Dividend income on available-for-sale financial assets	41,309	44,640	-	-
Net foreign exchange gain	7,971	-	-	-
Net gain on available-for-sale financial assets transferred from equity	48,335	38,471	-	-
	160,133	236,632	-	-
Financial expenses				
Interest expense on financial liabilities measured at amortised cost	(8,022)	(24,759)	-	(94,621)
Impairment loss on available-for-sale securities	-	(15,392)	-	-
Net foreign exchange loss	-	(21,712)	-	-
	(8,022)	(61,863)	-	(94,621)
Net financial income/(expense)	152,111	174,769	-	(94,621)

21. Gross operating revenue

Gross operating revenue comprises investment income, the gross sales of goods and services of the group and commission earned by the group on consignment sales. This is shown after deducting returns, rebates and discounts, consumption taxes and eliminating sales within the group.

December 31, 2009

22. Taxation

(a) The taxation charge/(credit) is based on the group's results for the year, as adjusted for tax purposes, and comprises:

	2009 $'000	2008 $'000
(i) Current tax charge:		
United Kingdom corporation tax @ 30%	1,104	23,965
Netherlands corporation tax @ 25.5%	34,585	-
Over-provision in previous year	-	938
	35,689	24,903
(ii) Deferred taxation (note 14):		
Origination and reversal of temporary differences	62,125	(10,601)
Tax losses	-	(531,719)
	62,125	(542,320)
Total taxation charge/(credit) in group profit and loss account	97,814	(517,417)
Attributable to continuing operations	97,814	(29,271)
Attributable to discontinued operations [note 23 (a)]	-	(488,146)
Total taxation charge/(credit) in group profit and loss account	97,814	(517,417)

(b) The effective tax rate for 2009 was 31.8% (2008: 15.4%) of a pre-tax result of $307,562,000 (2008: pre-tax losses of $3,373,884,000), compared to the statutory tax rate of 33⅓% (2008: 33⅓%). The actual charge differs from the "expected" tax charge for the year as follows:

	2009	
	Discontinued operations $'000	Continuing operations $'000
Profit before taxation	-	307,562
Computed "expected" tax charge @ 33⅓%	-	102,520
Taxation difference between profit for financial statements and tax reporting purposes on -		
Overseas taxation	-	16,979
Tax losses and tax relief utilised	-	(19,319)
Gain on disposal of property, plant and equipment and investments	-	13,129
Other related capital adjustments	-	18,463
Actual tax charge	-	97,814

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

22. Taxation (continued)

(b) The actual charge differs from the "expected" tax charge for the year as follows:

	2008	
	Discontinued operations $'000	Continuing operations $'000
Loss on disposal of subsidiaries	(961,938)	-
Loss on trading	(2,131,920)	(280,026)
Loss before taxation	(3,093,858)	(280,026)
Computed "expected" tax credit @ 33⅓%	(1,031,286)	(93,332)
Taxation difference between loss for financial statements and tax reporting purposes on -		
Overseas taxation	-	107,770
Tax losses and tax relief utilised	-	(3,498)
Gain on disposal of subsidiary	(12,049)	-
Gain on disposal of property, plant and equipment and investments	-	(71)
Other related capital adjustments	555,189	(40,140)
Actual tax credit	(488,146)	(29,271)

(c) As at December 31, 2009, the group has taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment of approximately $1,474,723,000 (2008: $1,329,971,000) available for relief against future taxable profits. Of this amount, $493,486,000 (2008: $456,628,000) is available for offset against specific income such as farming profits. The taxation losses disclosed in the financial statements reflect those available under existing legislation. A deferred tax asset of $479,068,000 (2008: $366,003,000) in respect of taxation losses of certain companies has not been recognised by the group as management considers its realisation within the foreseeable future to be too uncertain.

December 31, 2009

23. Loss after taxation and cash flows from discontinued operations

(a) Loss from discontinued operations (note 1) after taxation comprises:

	2009 $'000	2008 $'000
Gross operating revenue	-	9,352,832
Cost of operating revenue	-	(9,066,987)
Gross profit	-	285,845
Marketing, selling and distribution costs	-	(1,224,784)
Administration and other operating expenses	-	(673,869)
Operating loss	-	(1,612,808)
Finance cost - interest	-	(94,621)
Reorganization and restructuring cost	-	(133,558)
Impairment loss on property, plant and equipment	-	(303,652)
Other income	-	12,719
Loss from discontinued operations before taxation	-	(2,131,920)
Taxation [note 22(a)]	-	488,146
Loss from discontinued operations after taxation	-	(1,643,774)

(b) Cash flows from discontinued operations comprise:

	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from discontinued operations after taxation	-	(1,643,774)
Items not involving cash:		
Depreciation and impairment losses	-	672,239
Deferred tax, net	-	(418,571)
Other items	-	(16,481)
	-	(1,406,587)
Decrease in current assets	-	1,252,548
Decrease in current liabilities	-	(944,544)
Cash used by operating activities	-	(1,098,583)
CASH USED BY INVESTMENT ACTIVITIES	-	(63,937)
CASH PROVIDED BY FINANCING ACTIVITIES	-	1,145,796
Net decrease in cash and cash equivalents	-	(16,724)
Cash and cash equivalents at beginning of the year	-	48,196
Cash and cash equivalents at end of the year	-	31,472

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

24. Disclosure of expenses

Loss for the year is stated after charging:

	2009 $'000	2008 $'000
Directors' emoluments:		
Fees	9,350	10,750
Remuneration	38,041	33,367
Auditors' remuneration	21,853	25,364
Depreciation and impairment losses	134,949	750,821
Staff costs	980,511	2,873,134

25. Profit/(loss) per ordinary stock unit

The profit/(loss) per ordinary stock unit is calculated by dividing the profit/(loss) for the year of $209,643,000 (2008: loss of $2,856,199,000), attributable to the group, by a weighted average number of ordinary stock units held during the year, excluding those held by the ESOP.

Weighted average number of ordinary stock units:

	2009	2008
Issued ordinary stock units at January 1	187,024,006	187,024,006
Effect of own shares held by ESOP during the year	(17,732,871)	(17,382,392)
Weighted average number of ordinary stock units held during the year	169,291,135	169,641,614
Profit/(loss) per ordinary stock unit in issue:		
On continuing operations	112.09¢	(134.08)¢
On discontinued operations	-	(1,393.10)¢
Profit/(loss)per ordinary stock unit in issue	112.09¢	(1,527.18)¢
Profit/(loss)per ordinary stock unit excluding ESOP holdings		
On continuing operations	123.84¢	(147.81)¢
On discontinued operations	-	(1,535.86)¢
Profit/(loss)per ordinary stock unit excluding ESOP holdings	123.84¢	(1,683.67)¢

26. Distributions to stockholders

	2009 $'000	2008 $'000
Ordinary dividends:		
First interim payable in respect of 2009 - 15¢ (2008: 25¢) per stock unit - gross	28,054	46,756
Distributions to ESOP [note 17(i)]	(2,660)	(4,434)
	25,394	42,322
Unclaimed distributions written back to capital reserves [note 17(ii)]	(20,134)	(78,865)
	5,260	(36,543)

27. Contingent liabilities

One of the group's bankers, The Bank of Nova Scotia Jamaica Limited, has issued guarantees on behalf of certain subsidiaries in favour of third parties totalling $382,000 (2008: $903,000).

28. Operating lease arrangements

(a) Non-cancellable operating lease commitments

Annual commitments under non-cancellable operating leases expire as follows:

	2009 $'000	2008 $'000
Within one year	14,493	8,961
In the second to fifth year inclusive	51,005	34,660
After five years	10,908	8,703
	76,406	52,324

(b) Non-cancellable operating lease receivables

Operating leases relate to the property owned by the group with lease terms of between 3 to 5 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The group earned property rental income of $14,344,000 (2008: $7,180,000) under operating leases. Direct operating expenses arising on the property in the period was $6,100,000 (2008: $4,676,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2009 $'000	2008 $'000
Within one year	16,625	8,075
In the second to fifth year inclusive	22,772	12,973
	39,397	21,048

29. Commitments for expenditure

As at December 31, 2009, capital expenditure authorised but not committed amounted to approximately $223,532,000 (2008: $105,369,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

30. Related parties

(a) Identity of related parties:

The group has a related party relationship with its directors and officers and senior executives of subsidiaries. The company's executive directors, officers and the senior executives of subsidiaries are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 27.1% (2008: 26.1%) of the voting shares of the company. Receivables from directors which are current at December 31, 2009 amounted to $9,778 (2008: $159,574) and are included in "Accounts receivable" (note 6). No interest is payable by directors on these balances. In addition to their salaries, the group contributes to various post-employment benefit plans on behalf of key management personnel.

The compensation of key management personnel based in Jamaica and overseas is as follows:

	2009 $'000	2008 $'000
Short-term employment and other benefits	156,605	156,404
Post-employment benefits	19,060	18,788
Total remuneration	175,665	175,192

30. Related parties (continued)

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Related party transactions:

Category and nature of relationship	Nature of Transactions	Transactions in year 2009 $'000	Transactions in year 2008 $'000	(Payable)/receivable at end of year 2009 $'000	(Payable)/receivable at end of year 2008 $'000	Terms and conditions *	Provision end of year 2009 $'000	Provision end of year 2008 $'000	(Expense)/recovery during the year 2009 $'000	(Expense)/recovery during the year 2008 $'000
Transactions by associates:										
50% associate	Purchases by group	25,342	210,239	-	7,056	1,4,7	-	-	-	-
Transactions with key management personnel or entities under their control and/or significant influence:										
i) Unincorporated entities under their control	Consultancy services charged to group	-	945	-	-	1,4,7	N/A	N/A	N/A	N/A
ii) Company under their control	Insurance premiums charged to group	13,748	17,862	-	-	1,4,7	N/A	N/A	N/A	N/A
iii) Company under their control	Management services charged to group	699	1,106	(382)	-	4,7,9	N/A	N/A	N/A	N/A
iv) Company under their control	Shipping agency services charged to group	8,274	11,942	-	-	1,4,7	N/A	N/A	N/A	N/A
v) Company under their control	Charges paid on behalf of the group	7,746	58,706	-	-	1,4,7	N/A	N/A	N/A	N/A
vi) Company under their control	Collections from third parties on behalf of the group	54,006	58,406	35,156	8,287	1,4,7	N/A	N/A	N/A	N/A
Transactions with other related parties:										
Banana Export Company Ltd.	Sales by/other income to group	-	14,117	-	-	1,4,7,9	-	-	-	-

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Interest free
3. Secured
4. Unsecured
5. Guaranteed by related party
6. Guaranteed by entity
7. Settlement in cash
8. Settlement in kind
9. Credit over 30 days

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

31. Segment reporting

The group has changed its business segments from the previous year in order to better reflect its strategic direction following the acquisition and disposal of major subsidiaries in that year. Comparative figures have been reclassified to conform with those of the current year. Segment information is presented in respect of the group's strategic business segment. The identification of business segments, is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue.

The group is organised into three business segments. These are:

(a) JP Europe Division – This comprises businesses that are centred in Europe and include the production and marketing of natural food and drink, and the logistics business.

(b) JP Tropical Division – This comprises businesses that are centred in the Caribbean and Central America, and include the production and marketing of natural food and drink as well as management of land holdings.

(c) Corporate – This comprises interest and investment income, net of the cost of corporate functions not directly charged to business units.

Segment information below represents the total for the group from continuing operations and the segment profit/(loss) in each table refers to the total profit before taxation and before gain on sale of interest in subsidiary and associated company.

	JP Europe		JP Tropical		Corporate		Total	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gross revenue	4,892,384	2,753,496	1,233,629	706,432	207,641	318,383	6,333,654	3,778,311
Inter-segment revenue	-	-	-	-	(74,621)	(128,215)	(74,621)	(128,215)
Revenue from external customers	4,892,384	2,753,496	1,233,629	706,432	133,020	190,168	6,259,033	3,650,096
Interest income	1,116	11,915	3,297	5,419	-	-	4,413	17,334
Interest expense	-	(847)	(1,076)	(8,715)	(6,946)	(15,197)	(8,022)	(24,759)
Segment profit/(loss)	213,245	(178,543)	47,970	(225,241)	46,347	145,594	307,562	(258,190)
Eliminations							(-)	(21,836)
Profit/(loss) before taxation							307,562	(280,026)
Taxation (charge)/credit							(97,814)	29,271
Minority interest							(105)	-
Profit/(loss) attributable to equity holders of the parent							209,643	(250,755)
Segment assets	2,135,631	1,739,547	604,517	518,241	2,871,237	3,194,590	5,611,385	5,452,378
Segment liabilities	781,013	859,457	98,750	85,066	199,135	321,741	1,078,898	1,266,264
Capital expenditure	109,623	60,114	103,689	17,652	3,250	21,214	216,562	98,980
Depreciation and amortisation	94,576	36,083	54,431	45,591	8,179	12,897	157,186	94,571

December 31, 2009

31. Segment reporting (continued)

Segment information below represents the total for the group from discontinued operations. There are no amounts for inter-segment revenue, interest income, assets or liabilities in respect of discontinued operations analysed by segment.

	JP Europe		JP Tropical		Corporate		Total	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gross revenue/revenue from external customers	-	9,352,832	-	-	-	-	-	9,352,832
Interest expense	-	(87,221)	-	-	-	-	-	(87,221)
Segment loss	-	(2,153,756)	-	-	-	-	-	(2,153,756)
Eliminations							-	21,836
Loss before taxation							-	(2,131,920)
Taxation credit							-	488,146
Loss on disposal of interest in subsidiaries							-	(961,938)
Minority interest							-	268
Loss attributable to equity holders of the parent							-	(2,605,444)
Capital expenditure	-	360,955	-	-	-	-	-	360,955
Depreciation and amortisation	-	368,587	-	-	-	-	-	368,587

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

	JP Europe		JP Tropical		Corporate		Total	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Gross revenue	4,892,384	12,106,328	1,233,629	706,432	207,641	318,383	6,333,654	13,131,143
Inter-segment revenue	-	-	-	-	(74,621)	(128,215)	(74,621)	(128,215)
Revenue from external customers	4,892,384	12,106,328	1,233,629	706,432	133,020	190,168	6,259,033	13,002,928
Interest income	1,116	11,915	3,297	5,419	-	-	4,413	17,334
Interest expense	-	(95,468)	(1,076)	(8,715)	(6,946)	(15,197)	(8,022)	(119,380)
Segment (profit)/loss	213,245	(2,332,299)	47,970	(225,241)	46,347	145,594	307,562	(2,411,946)
Taxation (charge)/credit							(97,814)	517,417
Loss on disposal of interest in subsidiaries							-	(961,938)
Minority interest							(105)	268
Profit/(loss) attributable to equity holders of the parent							209,643	(2,856,199)
Segment assets	2,135,631	1,739,547	604,517	518,241	2,871,237	3,194,590	5,611,385	5,452,378
Segment liabilities	781,013	859,457	98,750	85,066	199,135	321,741	1,078,898	1,266,264
Capital expenditure	109,623	421,069	103,689	17,652	3,250	21,214	216,562	459,935
Depreciation and amortisation	94,576	404,670	54,431	45,591	8,179	12,897	157,186	463,158

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

31. Segment reporting (continued)

Segment information below represents segment revenue based on the country receiving the benefit of our products/services and segment assets based on the country in which the owner is registered.

	Revenues		Non-current assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Jamaica	1,359,592	1,199,896	2,079,504	2,155,761
Netherlands	3,983,356	1,631,752	1,030,588	880,207
United Kingdom	194,629	9,660,355	64,745	55,848
Other Caribbean countries	311,028	264,209	-	-
Other countries	410,428	246,716	169,454	199,158
	6,259,033	13,002,928	3,343,841	3,290,974

Revenues from one customer of the JP Europe segment represents approximately $3,414 million (2008: $1,305 million) of the group's total revenues.

32. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of an enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts and short-term loans, accounts payable and long-term loans.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable, bank overdrafts and short-term loans and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of quoted investments is its market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. The fair value of other investments, except for certain unquoted shares (note 12), are assumed to be cost, less provision for impairment.

The fair value for long-term loans is assumed to approximate carrying value as no discount on settlement is anticipated.

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks:

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk is detailed below.

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

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. Management's standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, securities purchased under resale agreements, other investments and cash and cash equivalents.

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

	2009 $'000	2008 $'000
Cash and cash equivalents	227,000	221,437
Short-term investments	489,233	814,908
Securities purchased under resale agreements	434,534	162,518
Accounts receivable	700,250	403,838
Non-current investments (note 12)	89,012	82,387
	1,940,029	1,685,088

The group manages this risk as follows:

- Cash and cash equivalents and short-term investments
  The group maintains cash resources with reputable financial institutions. Certain investments with a carrying value of $Nil (2008: $48,000,000) are secured by collateral with a fair value of $Nil (2008: $46,540,000). The credit risk is considered to be low.

  No allowance for impairment is deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

The group manages this risk as follows (continued):

- Securities purchased under resale agreements

  The group holds collateral for securities purchased under resale agreements. Assigned collateral, with a fair value of $835,784,000 (2008: $212,849,000) for the group, was held for securities purchased under resale agreements [note 3(e)].

  No allowance for impairment is deemed necessary.

- Accounts receivable

  The group has a credit policy in place to minimize exposure to credit risk inherent in trade accounts receivable. Credit evaluations are performed on all customers requiring credit. Credit terms are negotiated based on a mix of terms acceptable to both parties. The group provides credit up to 60 days dependent on other pricing arrangements that may be beneficial to the relationship. A continuing relationship with customers is dependent upon adherence to the credit terms.

  The group has a policy in place to provide for impairment on all debts more than ninety (90) days past due except for specific balances that relate to special circumstances that provide evidence that recovery is not in doubt.

  Staff and other receivables are subject to credit terms consistent with staff guidelines and other factors, including Jamaican GCT, the Netherlands and U.K. VAT. These guidelines include the provision of collateral as security for credit extended.

  Impairment allowances are made on the basis of reviews of specific balances that are inconsistent with staff guidelines or the terms relating to other receivables.

- Non-current investments

  This is largely held in securities issued by the Government of Jamaica, the credit risk of which is considered to be minimal.

  No allowance for impairment is deemed necessary.

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

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk

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

The group manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

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

Currency risk

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

The group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the Pound Sterling (£), United States dollar (US$) and Euro (€).

The group manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into. When necessary, the group uses forward exchange contracts to hedge a significant portion of its currency risk, most with a maturity of one year from the reporting date.

There were no changes in the group's approach to managing foreign currency risk during the year.

The net foreign currency assets/(liabilities) at year-end were as follows:

	December 31, 2009			December 31, 2008		
	US$'000	£'000	€'000	US$'000	£'000	€'000
Financial assets						
Cash and cash equivalents	576	172	1,080	318	418	1,228
Short term investments	3,590	-	1,000	3,993	-	1,726
Securities purchased under resale agreements	3,469	-	-	1,673	-	-
Accounts receivable	1,082	754	3,095	937	881	1,184
Investments	1,000	-	-	1,280	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Net foreign currency assets/(liabilities) at year-end (continued):

	December 31, 2009			December 31, 2008		
	US$'000	£'000	€'000	US$'000	£'000	€'000
Total financial assets	9,717	926	5,175	8,201	1,299	4,138
Financial liabilities						
Bank overdraft	-	-	-	(3)	-	-
Accounts payable	(1,018)	(786)	(4,620)	(2,658)	(1,496)	(5,253)
Current maturities of long term loans	-	(400)	-	-	(400)	-
Long-term loans	-	(500)	-	-	(900)	-
Financial instruments position	8,699	(760)	555	5,540	(1,497)	(1,115)
Other assets	3,075	405	7,480	5,332	488	10,840
Other liabilities	-	(8)	(282)	-	(179)	-
Balance sheet position	11,774	(363)	7,753	10,872	(1,188)	9,725

Other assets/liabilities represent balances denominated in other currencies that are expected to be realised or settled in those currencies.

Foreign currency sensitivity analysis

The following tables detail the group's sensitivity to a 10% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains/(losses) based on net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant and is performed on the same basis as the previous year.

10% Devaluation of J$ - resultant exchange gain/(loss):

	December 31, 2009		December 31, 2008	
	Equity $'000	Profit and loss $'000	Equity $'000	Profit and loss $'000
US$	58,806	45,986	62,360	24,616
£	7,257	(12,330)	8,786	(22,377)
€	98,471	226	88,949	19,193

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Foreign currency sensitivity analysis (continued)

2% Revaluation of J$ - resultant exchange gain/(loss):

	December 31, 2009		December 31, 2008	
	Equity $'000	Profit and loss $'000	Equity $'000	Profit and loss $'000
US$	(11,761)	(9,197)	(12,472)	(4,923)
£	(1,451)	2,466	(1,757)	4,475
€	(19,694)	(45)	(17,790)	(3,839)

Buying exchange rates used at:

	December 31	
	2009	2008
US$1 to J$	89.01	79.96
£1 to J$	139.80	114.44
€1 to J$	127.30	111.15

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The group materially contracts financial liabilities at fixed interest rates for the duration of the term. Bank overdrafts are subject to interest rates which may be varied with appropriate notice by the lender.

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

	2009 $'000	2008 $'000
Fixed rate instruments		
Financial assets	1,039,037	1,073,973
Financial liabilities	-	-
	1,039,037	1,073,973
Variable rate instruments		
Financial assets	-	28,750
Financial liabilities	(125,817)	(148,777)
	(125,817)	(120,027)

There were no changes in the group's approach to managing interest rate risk during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

An increase of 500 basis points (bps) or a decrease of 800 basis points (bps) in interest rates at the reporting date would have (decreased)/increased profit or loss by the amounts shown below. There would be no effect on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2008.

	December 31, 2009		December 31, 2008	
	500 bps increase $'000	800 bps decrease $'000	500 bps increase $'000	800 bps decrease $'000
Variable rate instruments	(6,290)	10,066	(6,000)	9,600

Other market price risk

The group is exposed to equity price risks arising from available for sale equity investments. Equity investments are held for strategic purposes and capital gains.

All of the group's equity investments locally are listed on the Jamaica Stock Exchange. A twenty percent (20%) decline in the listed bid prices at the reporting date would have decreased equity by $277,613,000 (2008: $297,664,000) and profit or loss by $Nil (2008: $5,105,000). The impact on profit or loss would result from investments which were impaired at the reporting date as there were no investments designated as fair value through profit or loss.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the group will not be able to meet its financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

Due to the dynamic nature of the underlying businesses, the management of the group aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

December 31, 2009

32. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iii) Liquidity risk

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

The following are the contractual maturities of non-derivative financial liabilities including interest payments. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the group can be required to pay. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted average interest rate	Carrying amount	Contractual cash flows	0-1 year	1-5 years	More than 5 years
	%	$'000	$'000	$'000	$'000	$'000
December 31, 2009:						
Secured bank loans	1.50	125,817	127,836	57,344	70,492	-
December 31, 2008:						
Secured bank loans	5.50	148,777	161,723	52,593	109,130	-

Trade and other payables are due within one year.

(iv) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines as total shareholders' equity, excluding minority interest and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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

Neither the company nor any of its subsidiaries is subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

33. Subsidiary and joint venture companies

	% equity held 2009	% equity held 2008	Place of incorporation
SUBSIDIARY COMPANIES*			
JP Tropical Group Ltd (formerly Producers Holdings Limited)	100	100	Jamaica
Agualta Vale Limited	100	100	"
Agri Services Limited	100	100	"
Eastern Banana Estates Limited	100	100	"
St. Mary Banana Estates Limited	100	100	"
P.S.C. Limited	100	100	"
Jamaica Producers Shipping Company Limited	60	60	"
JP Tropical Foods Ltd (formerly Trinjam Food Processors Limited)	100	100	"
JBFS Investments Limited	100	100	"
Crescent Developments Limited	100	100	"
Central American Banana (2005) Limited	100	100	Cayman Islands
Agroindustrial La Mesa, S.A.	100	100	Honduras
Sula Valley Banana Company, S.A.	80	80	"
JP Shipping Services Limited	100	100	England and Wales
Cariban Limited	100	100	Guernsey
JP Fresh Limited	100	100	England and Wales
Victoria Banana Company Limited	100	100	Jamaica
JP International Group Ltd. (formerly SFG Holdings Limited)	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	"
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
Four Rivers Mining Company Limited	51	-	Jamaica
JOINT VENTURE COMPANY			
Antillean Foods, Inc.	50	50	Cayman Islands

* The names of inactive subsidiary companies are omitted.

STOCKHOLDINGS OF DIRECTORS AND OFFICERS

December 31, 2009

	Personal shareholdings	Shareholdings in which Director/Officer has a controlling interest	Total
DIRECTORS			
The Hon. O. Clarke	-	1,674,849	1,674,849
The Hon. E.C. George	4,687	-	4,687
Mr. J. McG. Hall	629,355	1,032,688	1,662,043
Dr. M. McG. Hall	14,015,466	-	14,015,466
Mr. C.H. Johnston	397,389	11,099,091	11,496,480
Mrs. D. Kelly	121,833	89,700	211,533
Mr. D. McConnell	6,000	-	6,000
Mr. J.O. Minott	13,182	-	13,182
Mrs. K.A.J. Moss	2,208,238	1,698,600	3,906,838
Mr. D. Perkins	-	-	-
Prof. A.G. Wint	8,228	-	8,228
OFFICERS			
Mr. Alan Buckland	-	-	-
Mr. David Harris	-	-	-
Mr. Michiel van't Hek	-	-	-
Mr. Paul Samuels	8,041	-	8,041
TRUSTEES			
Jamaica Producers Group Limited ESOP	17,732,871	-	17,732,871

TOP TEN STOCKHOLDERS

December 31, 2009

Trustees - Jamaica Producers Group Limited ESOP	17,732,871
Grace Kennedy Pension Scheme	15,025,848
Marshall and Jeanette Hall	14,015,466
Lennox Portland Ltd. et al	11,496,480
Stocks & Securities Ltd.	6,782,240
National Insurance Fund	6,231,401
Life Of Jamaica Ltd. PIF Equity fund	4,887,837
Life Of Jamaica Ltd. - Trading account	4,019,852
David and Kathleen Moss	3,906,838
NCB Insurance Co. Ltd. A/C WT089	1,988,048

COMPANY ONLY

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Company Statement of Cash Flows	8
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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements

We have audited the non-consolidated financial statements of Jamaica Producers Group Limited ("company"), set out on pages 4 to 36, which comprise the company only balance sheet as at December 31, 2009, profit and loss account, statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and consistently applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PRODUCERS GROUP LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the non-consolidated financial statements give a true and fair view of the financial position of the company only as at December 31, 2009, and of its financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act.

Additional reporting requirements of the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner so required.

KPMG

Chartered Accountants
Kingston, Jamaica

February 25, 2010

KPMG, a Jamaican partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Elizabeth A. Jones
Caryl A. Fenton
R. Tarun Handa
Patrick A. Chin
Patricia O. Dailey-Smith

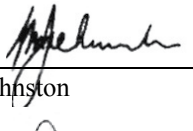
Linroy J. Marshall
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers

COMPANY BALANCE SHEET

December 31, 2009

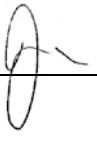
	Notes	2009 $'000	2008 $'000
CURRENT ASSETS			
Cash and cash equivalents	3(b), 4	12,409	15,829
Short-term investments	3(c), 5	58,162	292,988
Securities purchased under resale agreements	3(d)	388,685	85,353
Accounts receivable	6	24,192	25,988
Taxation recoverable		118,151	141,439
Inventories	7	-	365
Total current assets		601,599	561,962
CURRENT LIABILITIES			
Accounts payable	9	69,936	137,928
Current portion of long-term loan	16	55,919	45,778
Unclaimed dividends		-	21,935
Total current liabilities		125,855	205,641
WORKING CAPITAL		475,744	356,321
NON-CURRENT ASSETS			
Interests in subsidiary and associated companies	10	1,304,922	1,256,522
Investments	11	1,514,989	1,595,341
Deferred tax asset	12	6,178	40,175
Property, plant and equipment	13	72,401	89,921
Total non-current assets		2,898,490	2,981,959
Total assets less current liabilities		3,374,234	3,338,280
EQUITY			
Share capital	14	18,702	18,702
Reserves	15	3,285,634	3,216,579
Total equity attributable to stockholders		3,304,336	3,235,281
NON-CURRENT LIABILITIES			
Long-term loan, being total non-current liabilities	16	69,898	102,999
Total equity and non-current liabilities		3,374,234	3,338,280

The financial statements on pages 4 to 36 were approved by the Board of Directors on February 25, 2010 and signed on its behalf by:



Chairman

C. H. Johnston



Managing Director

J. Hall

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

COMPANY PROFIT AND LOSS ACCOUNT

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000
Gross operating revenue:			
Management fees - subsidiaries		17,907	105,568
Interest - subsidiaries		-	17,349
- other		50,721	49,289
Dividends and capital distributions - subsidiaries		-	1,667,339
- other		41,189	43,792
Rent - subsidiaries		2,296	2,305
- other		14,344	7,180
Royalties earned - subsidiary		53,214	-
		179,671	1,892,822
Administration and other operating expenses		(196,875)	(308,816)
(Loss)/profit from operations		(17,204)	1,584,006
Net gain from fluctuation in exchange rates		68,121	93,714
Gain on disposal of property, plant and equipment and investments		50,739	670
Reorganization and restructuring costs	1	-	(81,896)
Impairment loss on investment in discontinued operations	10	-	(1,080,908)
Decrease/(increase) in impairment loss provision on loans and receivables - subsidiaries	10	84,452	(911,021)
Sundry income/(expense)		12,457	(9,512)
Profit/(loss) before finance cost and taxation		198,565	(404,947)
Finance cost - interest		(6,946)	(12,568)
Profit/(loss) before taxation	17	191,619	(417,515)
Taxation (charge)/credit	19	(33,997)	20,854
Profit/(loss) for the year		157,622	(396,661)
Earnings/(loss) per ordinary stock unit	20	84.28¢	(212.09)¢

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000
Profit/(loss) for the year		157,622	(396,661)
Other comprehensive income			
Available-for-sale financial assets			
Revaluation losses arising during the year		(29,864)	(1,096,272)
Realised revaluation gains transferred to profit and loss account		(50,783)	-
		(80,647)	(1,096,272)
Total comprehensive income/(loss) for the year		76,975	(1,492,933)

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

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2009

	Share capital (note 14) $'000	Share premium $'000	Capital reserves $'000	Fair value reserve $'000	Retained profits $'000	Total equity $'000
Balances at December 31, 2007	18,702	135,087	1,478,787	2,264,895	798,634	4,696,105
Changes in equity:						
Loss for the year	-	-	-	-	(396,661)	(396,661)
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	(1,096,272)	-	(1,096,272)
Other changes in equity						
Unclaimed distributions to stockholders (note 21)	-	-	78,865	-	-	78,865
	-	-	78,865	(1,096,272)	(396,661)	(1,414,068)
Distributions to stockholders (note 21)	-	-	-	-	(46,756)	(46,756)
Balances at December 31, 2008	18,702	135,087	1,557,652	1,168,623	355,217	3,235,281
Changes in equity:						
Profit for the year	-	-	-	-	157,622	157,622
Other comprehensive income						
Change in fair value of available-for-sale investments	-	-	-	(29,864)	-	(29,864)
Realised revaluation gains on available-for-sale investments transferred to profit and loss account	-	-	-	(50,783)	-	(50,783)
Other changes in equity						
Unclaimed distributions to stockholders (note 21)	-	-	20,134	-	-	20,134
	-	-	20,134	(80,647)	157,622	97,109
Distributions to stockholders (note 21)	-	-	-	-	(28,054)	(28,054)
Balances at December 31, 2009	18,702	135,087	1,577,786	1,087,976	484,785	3,304,336

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

COMPANY STATEMENT OF CASH FLOWS

Year ended December 31, 2009

	Notes	2009 $'000	2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		157,622	(396,661)
Adjustments to reconcile profit/(loss) for the year to net cash used by operating activities:			
Depreciation and impairment losses	13	7,986	12,897
Net unrealised exchange gains		(75,408)	(92,806)
Gain on disposal of property, plant and equipment and investments		(50,739)	(670)
Impairment loss on investments		-	7,815
Impairment loss on investment in discontinued operation		-	1,080,908
Provision for diminution in value of interest in subsidiaries		(84,452)	903,206
Dividends and capital distributions earned		-	(1,711,131)
Interest earned		(50,721)	(66,638)
Interest expense		6,946	12,568
Deferred taxation, net	12	33,997	(20,854)
		(54,769)	(271,366)
(Increase)/decrease in current assets:			
Accounts receivable		2,883	526
Taxation recoverable		24,043	1,068
Inventories		365	181
Increase/(decrease) in current liabilities:			
Accounts payable		(97,024)	50,415
Unclaimed dividends		-	(60,978)
Net cash used by operating activities		(124,502)	(280,154)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Short-term investments		265,432	1,045,942
Securities purchased under resale agreements		(284,181)	183,442
Additions to property, plant and equipment	13	(3,271)	(21,214)
Additions to investments		-	(110,159)
Dividends and capital distributions received		-	43,724
Interest received		49,944	57,051
Proceeds from disposal of property, plant and equipment and investments		72,300	860
Net cash provided by investment activities		100,224	1,199,646
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank overdraft and short-term loan		-	(7,180)
Interests in subsidiary and associated companies		91,079	(885,582)
Distribution to stockholders	21	(7,920)	36,542
Interest paid		(8,021)	(13,870)
Long-term loan		(54,279)	(54,210)
Net cash provided/(used) by financing activities		20,859	(924,300)
Net decrease in cash and cash equivalents		(3,420)	(4,808)
Cash and cash equivalents at beginning of year		15,829	20,637
Cash and cash equivalents at end of year		12,409	15,829

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2009

1. The company

Jamaica Producers Group Limited (company) is incorporated and domiciled in Jamaica. The company's registered office is located at 6A Oxford Road, Kingston 5.

Its principal activities are the provision of administration services to its subsidiaries (note 27) and the holding of investments.

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

In the previous year, as a result of a subsidiary, Serious Food Limited ("Serious Food") being placed in administration, the company recognized an impairment loss on its loans made directly to Serious Food of $1,080,908,000. The company also made a provision for loans to Serious Food's parent company of $821,394,000 which was used to capitalize Serious Food.

2. Statement of compliance and basis of preparation

(a) Statement of compliance:

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

Certain new IFRS and interpretations of, and amendments to, existing standards, which were in issue, came into effect for the current financial year.

The adoption of the following standards and amendments resulted in a change in accounting policies which has impacted the financial statements as described:

- *IAS 1 (Revised) Presentation of Financial Statements,* requires the presentation of all non-owners' changes in equity in one or two statements: either in a single statement of comprehensive income, or in an income statement and a statement of comprehensive income. The adoption of this has led to the inclusion of the statement of comprehensive income on page 5.

- Amendments to *IFRS 7 Financial Instruments: Disclosures* require enhanced disclosures in respect of two aspects: disclosures over fair value measurement relating to financial instruments specifically in relation to disclosures over the inputs used in valuation techniques and the uncertainty associated with such valuations; and improving disclosures over liquidity risk to address current diversity in practice. The enhanced disclosures have been incorporated into note 26, where applicable.

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

The adoption of the following standards did not result in any change in accounting policies and did not have any effect on the company's financial statements:

- *Amendments to IFRS 2 Share-based payment – Vesting Conditions and Cancellations* is effective for annual periods beginning on or after January 1, 2009. Under the amendment, non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes.

- *IFRS 8 Operating Segments requires* segment *disclosure based on the components of the group that manage*ment monitors in making decisions about operating matters, as well as qualitative disclosures on segments. Segments will be reportable based on threshold tests related to revenues, results and assets.

- *IAS 23(Revised) - Borrowing Costs* removes the option of either capitalising borrowing costs relating to qualifying assets or expensing all borrowing costs, and requires management to capitalise borrowing costs attributable to qualifying assets. Qualifying assets are assets that take a substantial time to get ready for their intended use or sale.

- *IFRIC 13 Accounting for Customer Loyalty Programmes,* creates consistency in accounting for customer loyalty plans. The interpretation is applicable to all entities that grant awards as part of a sales transaction (including awards that can be redeemed for goods or services not supplied by the entity).

- *IFRIC 15 – Agreements for the Construction of Real Estate* provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognized.

- *IFRIC 16 – Hedges of a Net Investment in a Foreign Operation* applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. IFRIC 16 clarifies that a parent entity is only allowed to designate as a hedged risk, the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New standards, and interpretations of and amendments to existing standards that are not yet effective:

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

- *Revised IFRS 3 Business Combinations* becomes effective for annual reporting periods beginning on or after July 1, 2009. The definition of a business combination has been revised and focuses on control. All items of consideration transferred by the acquirer are measured and recognised at fair value as of the acquisition date, including contingent consideration. An acquirer can elect to measure non-controlling interest at fair value at the acquisition date or on a transaction by transaction basis. New disclosure requirements have been introduced. The revisions are not expected to have any significant impact on the 2010 financial statements.

- *IAS 27 (Revised) Consolidated and Separate Financial Statements* becomes effective for annual reporting periods beginning on or after July 1, 2009. It requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. It also specifies the accounting when control is lost, requiring that any remaining interest in the entity be re-measured to fair value, and a gain or loss be recognized in profit or loss. The company is assessing the impact the revision will have on the 2010 financial statements.

- *IFRS 9, Financial Instruments,* is effective for annual reporting periods beginning on or after January 1, 2013. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The standard is not expected to have any significant impact on the 2010 financial statements.

- *IAS 39 (Amendment), Financial Instruments: Recognition and Measurement* becomes effective for annual reporting periods beginning on or after July 1, 2009. The amendment provided 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.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

- *IAS 39 (Amendment), Financial Instruments: Recognition and Measurement* (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. The company is assessing the impact the amendment will have on the 2010 financial statements.

- *IFRIC 17, Distribution of Non-Cash Assets to Owners* is effective for annual reporting periods beginning on or after July 1, 2009 and is required to be applied prospectively; earlier application is permitted. IFRIC 17 provides that a dividend payable should be recognized when appropriately authorized 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 recognized in profit or loss. This interpretation is not expected to have any significant impact on the 2010 financial statements.

- *Amendment to IAS 32 Financial Instruments: Presentation*, is effective for annual reporting periods beginning February 1, 2010. The amendment requires that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The company is assessing the impact, if any, the amendment will have on the 2011financial statements.

(b) Basis of preparation:

These non-consolidated financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations, changes in equity and cash flows of the group. The company's interests in the non-consolidated subsidiaries (note 27) are shown at cost, less provision for diminution in value [note 3(q)]. Unless otherwise indicated, references to financial statements herein are to the non-consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

2. Statement of compliance and basis of preparation (continued)

(b) Basis of preparation:

The financial statements are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value. The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

These non-consolidated financial statements are intended to show the affairs of the company as a stand-alone business. They are not intended to, and do not, show the consolidated financial position, results of operations, changes in equity and cash flows of the group. The company's interests in the non-consolidated subsidiaries (note 27) are shown at cost, less provision for diminution in value [note 3(q)]. Unless otherwise indicated, references to financial statements herein are to the non-consolidated financial statements.

The financial statements are prepared on the historical cost basis, except for available-for-sale investments which are stated at fair value. The financial statements are presented in Jamaica dollars (J$), which is the functional currency of the company.

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

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

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

Impairment assessments - Impairment provisions for diminution in value of interest in subsidiaries (note 10) are determined from a comparison between cost and an estimate of the net present value of future cash flows. That estimate is based on forecasts and an assessment of risk and uncertainty by management. Those estimates could be subject to significant variation from year to year.

Depreciation methods, useful lives and residual values - Depreciation methods, useful lives and residual values rely on judgment and estimates by management, one of which is that the relevant assets will continue to be used for their current purpose within the company. In addition, useful lives and residual values vary between individual assets and are dependent upon continuation of the current level of maintenance. Should there be a change in the present use or level of maintenance this could change the charge for depreciation and net book value of property, plant and equipment (note 13) within the next financial year.

3. Significant accounting policies

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

(a) Foreign currencies:

Except for investments in foreign subsidiaries, foreign currency balances at balance sheet date are translated at the buying rates of exchange ruling at that date [note 26(b)(ii)]. Investments in foreign subsidiaries are valued at historical rates of exchange.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the profit and loss account.

(b) Cash and cash equivalents:

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities and loans and receivables recoverable within one year. They are acquired for their earnings potential and for balancing the company's risks on its investment portfolio. Their nature, liquidity and risk are similar to those of cash and cash equivalents.

(d) Securities purchased under resale agreements:

Securities purchased under resale agreements ('reverse repos') are short-term transactions in which the company makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Reverse repos are accounted for as short-term collateralised lending.

The difference between the sale and repurchase consideration is recognised on the accrual basis over the period of the transaction and is included in interest income.

(e) Trade and other receivables:

Trade and other receivables are stated at amortised cost, less impairment losses [note 3(j)].

(f) Inventories:

Inventories are valued at the lower of cost, determined principally on the weighted average method, and net realisable value. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(g) Trade and other payables:

Trade and other payables, including provisions, are stated at their amortised cost. A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Investments:

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Where the company has the positive intent and ability to hold securities to maturity, they are classified as held-to-maturity and recognised initially at cost and subsequently measured at amortised cost, less impairment losses. Other investments held by the company are classified as being available-for-sale and are stated at fair value with changes in fair value taken to fair value reserve, except for impairment losses, and, in the case of monetary items such as debt securities, foreign exchange gains and losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where fair value cannot be reliably measured, these investments are stated at cost. Available-for-sale investments include certain debt and equity securities.

The fair value of quoted available-for-sale investments is their bid price.

Available-for-sale investments are recognised/derecognised by the company on the date it commits to purchase or sell the investments. Other investments are recognised/derecognised on the day they are transferred to/by the company.

(i) Property, plant and equipment:

(i) Owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses [note 3(j)]. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets, are recognised in profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and it can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss, as it is incurred.

3. Significant accounting policies (continued)

(i) Property, plant and equipment (continued):

(ii) Depreciation

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

Leasehold land and buildings	5%
Freehold buildings	5%
Furniture and equipment	10%
Motor vehicles	20%
Computer software and equipment	33⅓% or 100%

(j) Impairment:

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

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

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment. When a decline in the fair value of an available-for-sale investment 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 company profit or loss even though the investment has not been derecognised.

The amount of the cumulative loss that is recognised in company profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in company profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the company's investments in held-to-maturity securities, loans and 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

3. Significant accounting policies (continued)

(j) Impairment (continued):

(i) Calculation of recoverable amount (continued)

The recoverable amount of other assets is the greater of their fair value less costs 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.

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity security, loan or 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 the profit and loss account.

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.

(k) Employee benefits:

Employee benefits are all forms of consideration given by the company in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual leave, and non-monetary benefits such as medical care and housing; post-employment 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 pensions provided by a defined-contribution pension plan in which the company participates. The company's contributions to the plan are charged to the profit and loss account in the period in which they are due.

December 31, 2009

3. Significant accounting policies (continued)

(l) Revenue:

Revenue from services rendered is recognised in the profit and loss account in proportion to the stage of completion of the transaction at the balance sheet date.

(m) Finance costs:

Finance costs represent interest payable on borrowings calculated using the effective interest rate method.

(n) Interest income:

Interest income is recognised in the profit and loss account as it accrues, taking into account the effective yield on the asset.

(o) Dividend income:

Dividend income is recognised on the date that the company's right to receive payment is established.

(p) Taxation:

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

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

Deferred 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 balance sheet 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.

(q) Subsidiary and associated companies:

Interests in subsidiary and associated companies are stated at cost, less provision for diminution in value.

4. Cash and cash equivalents

	2009 $'000	2008 $'000
Cash and bank balances	12,409	15,829

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

4. Cash and cash equivalents (continued)

Movement on cash and cash equivalents:

	2009 $'000	2008 $'000
Balance at beginning of the year	15,829	20,637
Net cash outflows	(78,828)	(97,614)
Unrealised exchange gains	75,408	92,806
Balance at end of the year	12,409	15,829

5. Short-term investments

	2009 $'000	2008 $'000
Loans and receivables		
Government of Jamaica securities	-	40,000
Loan receivable	3,523	3,164
Fixed deposits	54,639	249,824
	58,162	292,988

6. Accounts receivable

	2009 $'000	2008 $'000
Trade receivables	-	4,899
Staff receivables	7,806	9,521
Other receivables and prepayments	41,717	33,011
	49,523	47,431
Less: Provision for doubtful debts	(25,331)	(21,443)
	24,192	25,988

Amounts due from directors in the ordinary course of business, which are current, include $Nil (2008: $31,181) in trade receivables and $9,778 (2008: $128,393) in staff receivables.

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

	2009 $'000	2008 $'000
Balance at January 1	21,443	18,652
Impairment losses recognised	1,512	773
Amounts recovered during the year	-	(425)
Exchange loss on retranslation	2,356	2,443
	25,311	21,443

December 31, 2009

6. Accounts receivable (continued)

The provision for doubtful debts account in respect of accounts receivable is used to record impairment losses, unless the company is satisfied that no recovery of the amount owing is possible, at which point the amount considered irrecoverable is written off against the receivable directly.

The aging of trade receivables at the reporting date was:

	Gross		Impairment	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Not past due	-	4,885	-	-
Past due 121 days – 1 year	-	-	-	-
More than 1 year	-	14	-	14
	-	4,899	-	14

7. Inventories

Inventories comprise stationery and office supplies.

8. Bank overdraft and short-term loan

The overdraft facility of the company is unsecured (note 13).

9. Accounts payable

	2009	2008
	$'000	$'000
Trade payables	12,293	30,336
Dividend payable	28,054	-
Accrued expenses	23,091	87,040
Other	6,498	20,552
	69,936	137,928

10. Interests in subsidiary and associated companies

	2009	2008
	$'000	$'000
Subsidiary companies:		
Shares, at cost	863,952	863,442
Less: Impairment provision	(1,974)	(15,083)
	861,978	848,359
Loan accounts receivable	1,135,722	1,382,788
Current accounts receivable	1,693,060	2,074,288
Less: Impairment provision	(973,212)	(2,039,431)
Loan accounts payable	(1,315,396)	(886,157)
Current accounts payable	(112,310)	(123,325)
Subsidiary companies	1,289,840	1,256,522

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

10. Interests in subsidiary and associated companies (continued)

	2009 $'000	2008 $'000
Subsidiary companies	1,289,840	1,256,522
Loan receivable from associated company	15,082	-
	1,304,922	1,256,522

The recoverable amount of the company's investment in each subsidiary is reviewed annually for impairment. The impairment review at the end of the year resulted in an decrease/(increase) in the impairment loss provision by $84,452,000 [2008: ($1,991,929,000)].

The loan receivable from associated company is denominated in US dollars and includes an interest balance of $527,000 (US$5,918), interest being charged at the rate of 8% per annum. This is in respect of a 50% joint venture in the banana and plantain chip manufacturing business located in the Dominican Republic.

11. Investments

	2009 $'000	2008 $'000
Available-for-sale securities:		
Quoted	1,385,305	1,474,707
Unquoted	25	25
	1,385,330	1,474,732
Loans and receivables:		
Government of Jamaica bonds	89,012	79,962
Loan to Employee Share Ownership Plan (ESOP)	40,647	40,647
	129,659	120,609
	1,514,989	1,595,341

Market values of quoted investments are computed using listed bid prices.

It is the opinion of the directors that the value of unquoted investments approximates at least to their carrying value.

The number of stock units (note 14) held by the ESOP at December 31, 2009 was 17,732,871 (2008: 17,732,436).

Included in available-for-sale securities is a quoted investment having a fair value at year-end of $360,270,000 which is being held as collateral for the long-term loan having a balance of £900,000 as shown in note 16.

December 31, 2009

12. Deferred tax asset

The deferred tax asset is attributable to the following:

	Deferred tax					
	Asset		Liability		Net	
	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000
Property, plant and equipment	9,230	9,093	-	-	9,230	9,093
Other liabilities	2,656	26,140	-	-	2,656	26,140
Other assets	-	-	5,708	6,745	(5,708)	(6,745)
Tax losses carried forward	-	11,687	-	-	-	11,687
	11,886	46,920	5,708	6,745	6,178	40,175

Movement on net deferred tax asset during the year:

	2009 $'000	2008 $'000
Net deferred tax asset at beginning of year	40,175	19,321
Recognised in taxation (charge)/credit [note 19(a)]	(33,997)	20,854
Net deferred tax asset at end of year	6,178	40,175

13. Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in -progress $'000	Total $'000
At cost:					
December 31, 2007	50,218	25,393	113,110	-	188,721
Additions	437	8,948	9,001	2,828	21,214
Disposals	-	-	(3,908)	-	(3,908)
December 31, 2008	50,655	34,341	118,203	2,828	206,027
Additions	1,176	-	2,095	-	3,271
Transfers	2,705	123	-	(2,828)	-
Disposals	-	-	(20,083)	-	(20,083)
December 31, 2009	54,536	34,464	100,215	-	189,215

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

13. Property, plant and equipment (continued)

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Equipment, vehicles and furniture $'000	Work-in -progress $'000	Total $'000
Depreciation:					
December 31, 2007	14,283	16,176	76,468	-	106,927
Charge for the year	-	980	11,917	-	12,897
Eliminated on disposals	-	-	(3,718)	-	(3,718)
December 31, 2008	14,283	17,156	84,667	-	116,106
Charge for the year	-	1,158	6,827	-	7,986
Eliminated on disposals	-	-	(7,278)	-	(7,278)
December 31, 2009	14,283	18,314	84,216	-	116,814
Net book values:					
December 31, 2009	40,253	16,150	15,599	-	72,401
December 31, 2008	36,372	17,185	33,536	2,828	89,921
December 31, 2007	35,935	9,217	36,642	-	81,794

Freehold land and buildings includes land as follows:

	2009 $'000	2008 $'000
At cost	21,659	21,659
Directors' allocation of cost	4,507	4,507
Total land	26,166	26,166

The company has given an undertaking to one of its bankers not to encumber real estate held at 6A Oxford Road while the company has credit arrangements (note 8).

14. Share capital

Authorised:
500,000,000 ordinary shares at no par value

Stated capital:	2009 $'000	2008 $'000
Issued and fully paid - 187,024,006 ordinary stock units	18,702	18,702

The company's stated capital does not include share premium which is retained in capital reserves (note 15) in accordance with Section 39 (7) of the Act.

15. Reserves

	2009 $'000	2008 $'000
Capital:		
Share premium (note 14)	135,087	135,087
Fair value reserves	1,087,976	1,168,623
Other	1,577,786	1,557,652
Total Capital	2,800,849	2,861,362
Revenue:		
Retained profits	484,785	355,217
	3,285,634	3,216,579

Other capital reserves comprise gains on disposal of property, plant and equipment and investments until December 31, 2001, unrealised exchange gains and unclaimed dividends to stockholders (note 21).

16. Long-term loan

	Current portion		Non-current portion	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Bank loan	55,919	45,778	69,898	102,999

A £2,000,000 loan, secured by a portion of the equity investment portfolio, is repayable by quarterly installments over a five-year period that commenced April 30, 2007. The terms and conditions of the loan was as follows:

	Currency	Nominal Interest rate	Year of maturity	Face value 2009 $'000	Carrying value 2009 $'000	Face value 2008 $'000	Carrying value 2008 $'000
Secured bank loan	GBP	UK Prime + 1.0%	2012	125,817	125,817	148,777	148,777

17. Disclosure of expenses

Profit before taxation is stated after charging:

	2009 $'000	2008 $'000
Directors' emoluments		
- Fees	9,350	10,750
- Remuneration	38,041	33,367
Auditors' remuneration	6,967	7,766
Depreciation and impairment losses	7,986	12,897
Staff costs	82,717	163,995

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

18. Financial income and expenses

	2009 $'000	2008 $'000
Recognised in company profit and loss account:		
Financial income		
Interest income on bank deposits, loans and receivables	46,955	45,524
Interest income on available-for-sale financial assets	3,766	3,765
Interest income on loans and receivables - subsidiaries	-	17,349
Dividend income on available-for-sale financial assets	41,189	43,792
Net foreign exchange gain	68,121	93,714
	160,031	204,144
Financial expenses		
Interest expense on financial liabilities measured at amortised cost	(6,946)	(12,568)
Impairment loss on loans and receivables in discontinued operations	-	(1,080,908)
Increase in impairment loss on loans and receivables - subsidiaries	-	(911,021)
	(6,946)	(2,004,497)
Net financial expenses	(153,085)	(1,800,353)

19. Taxation

(a) The taxation charge/(credit) is based on the company's results for the year, as adjusted for tax purposes, and is made up as follows:

	2009 $'000	2008 $'000
Deferred taxation (note 12):		
Benefit of tax losses recognised, being total taxation charge/(credit) recognised in the profit and loss account	33,997	(20,854)

December 31, 2009

19. Taxation (continued)

(b) The effective tax rate for 2009 was 17.7% (2008: (5%)) compared to a statutory rate of 33⅓% (2008: 33⅓%). The actual tax charge/(credit) differs from the "expected" tax charge/(credit) for the year as follows:

	2009 $'000	2008 $'000
Profit/(loss) before taxation	191,619	(417,515)
Computed "expected" tax charge/(credit) at 33⅓%	63,873	(139,172)
Taxation difference between loss for financial statements and tax reporting purposes on:		
Gain on sale of investment and property, plant and equipment	(16,912)	(223)
Disallowed income and expenses, depreciation and other related capital adjustments	(12,964)	118,541
Actual tax charge/(credit) recognised in the profit and loss account	33,997	(20,854)

(c) At December 31, 2009 taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment, available for relief against future taxable profits amounted to approximately $189,795,000 (2008: $113,170,000). The taxation losses disclosed in the financial statements reflect those available under existing legislation. A deferred tax asset of $63,000,000 has not been recognized as management considers its realization within the foreseeable future to be uncertain.

20. Earnings per ordinary stock unit

The earnings per ordinary stock unit is calculated by dividing the profit/(loss) for the year of $157,622,000 [2008: ($396,661,000)] by 187,024,006 ordinary stock units.

21. Distributions to stockholders

	2009 $'000	2008 $'000
Ordinary dividends:		
First interim paid in respect of 2009 - 15¢ (2008: 25¢) per stock unit - gross	28,054	46,756
Unclaimed dividends written back to capital reserves (note 15)	(20,134)	(78,865)
	7,920	(32,109)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

22. Contingent liabilities

One of the company's bankers has issued guarantees on behalf of certain subsidiaries in favour of third parties for $381,915 (2008: $381,915). The company has also given a commitment to one of its subsidiaries to provide financial support as is necessary for its operations throughout 2010. That subsidiary has a deficit on equity at December 31, 2009 of $66.8 million.

23. Operating lease arrangements

Non-cancellable operating lease receivables

Operating leases relate to property owned by the company or property leased from its subsidiaries with lease or sub-lease terms of between 3 to 5 years, with options to extend for a further 1 to 5 years. The lessees do not have the option to purchase the property at the expiry of the lease period.

The company earned property rental income of $14,344,000 (2008: $7,180,000) under operating leases. Direct operating expenses arising on the property in the period was $6,100,000 (2008: $4,676,000). Commitments for income under non-cancellable operating leases at year-end are as follows:

	2009 $'000	2008 $'000
Within one year	16,625	7,291
In the second to fifth year inclusive	22,772	11,732
	39,397	19,023

24. Commitments

As at December 31, 2009 capital expenditure authorised but not committed amounted to approximately $15,205,000 (2008:$16,448,000).

25. Related parties

(a) Identity of related parties:

The company has a related party relationship with its directors and officers. The company's executive directors and officers are collectively referred to as "key management personnel".

(b) Transactions with directors and other key management personnel:

Directors and officers of the company, their immediate relatives and entities over which they have significant influence control 27.10% (2008: 26.10%) of the voting shares of the company. Receivables from directors at December 31, 2009 amounted to $ Nil (2008: $31,181) included in trade receivables and $9,778 (2008: $128,393) included in "Staff receivables" (see note 6). These balances are current. No interest is payable by directors on these balances. In addition to their salaries, the company contributes to various post-employment benefit plans on behalf of key management personnel.

December 31, 2009

25. Related parties (continued)

(b) Transactions with directors and other key management personnel (continued):

Compensation of key management personnel is as follows:

	2009 $'000	2008 $'000
Short-term employment and other benefits	60,941	70,823
Post-employment benefits	2,844	3,899
Total remuneration, included in directors' emoluments and staff costs, where applicable (see note 17)	63,785	74,722

25. Related parties (continued)

(c) Transactions with other related parties, directors and key management personnel in other capacities:

Category and nature of relationship	Nature of Transactions	Transactions in year 2009 $'000	Transactions in year 2008 $'000	(Payable)/receivable at end of year 2009 $'000	(Payable)/receivable at end of year 2008 $'000	Terms and conditions *	Provision end of year 2009 $'000	Provision end of year 2008 $'000	(Expense)/recovery during the year 2009 $'000	(Expense)/recovery during the year 2008 $'000
Transactions with directors and key management personnel or entities under their control and/or significant influence:										
i) Company under their control	Insurance premiums charged to company by broker	6,792	6,419	-	31	1,3,4	N/A	N/A	N/A	N/A
ii) Company under their control	Management services charged to company	699	1,106	382	-	3,4,5	N/A	N/A	N/A	N/A
iii) Unincorporated entities under their control	Consultancy services charged to group	-	945	-	-	1,3,4	N/A	N/A	N/A	N/A

* The number in each row represents the terms and conditions that are applicable to the stated transactions and their meanings are as follows:

1. Credit of up to 30 days
2. Interest free
3. Unsecured
4. Settlement in cash
5. Credit over 30 days

26. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable and investments. Financial liabilities include bank overdrafts and short-term loans and accounts payable.

(a) Fair value of financial instruments:

Fair value amounts represent estimates of the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties who are under no compulsion to act. Fair value is best evidenced by a quoted market price, if one exists.

The fair value of cash and cash equivalents, short-term investments, securities purchased under resale agreements, accounts receivable, bank overdrafts, short-term loans and accounts payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair value of quoted investments is at market value. This method falls within the level 1 fair value hierarchy and is defined as quoted prices (unadjusted) in an active market for identical assets. The fair value of other investments, except for certain unquoted shares (note 11), are assumed to be cost, less provision for impairment.

(b) Financial instrument risks:

The company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk is detailed below.

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

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. Management standards and procedures aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from amounts due from customers, securities purchased under resale agreements, other investments and its cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

26. Financial instruments (continued)

(b) Financial instrument risks (continued):

(i) Credit risk (continued)

The company manages this risk as follows (continued):

- Non-current investments

  This includes the loan to the ESOP and securities issued by the Government of Jamaica, the credit risk of which is considered to be minimal.

  No provision for impairment is deemed necessary.

  The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

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

(ii) Market risk

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

The company manages this risk by conducting research and monitoring the price movement of securities on the local and international markets.

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

Currency risk

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

The company is exposed to foreign currency risk on transactions that are denominated in currencies other than the Jamaican dollar. The main currencies giving rise to this risk are the Pound Sterling (£), United States dollar (US$) and Euros (€).

The company manages this risk by matching foreign currency assets with liabilities as far as possible. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations in which the borrowings are invested. This provides an economic hedge and no derivatives are entered into.

There were no changes in the company's approach to managing foreign currency risk during the year.

26. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

The net foreign currency financial assets/(liabilities) at year-end were as follows:

	2009		2008	
	US$'000	£'000	US$'000	£'000
Cash and cash equivalents	118	20	180	8
Short-term investments	654	-	-	-
Securities purchased under resale agreements	3,469	-	942	-
Accounts receivable	-	-	26	2
Accounts payable	(13)	(2)	(202)	(666)
Current maturities of long-term loans	-	(400)	-	(400)
Non-current investments	1,000	-	1,000	-
Loans and advances to subsidiary companies	5,887	321	15,872	426
Long-term loans	-	(500)	-	(900)
Gross balance sheet exposure	11,115	(561)	17,818	(1,530)

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 10% strengthening or 2% weakening of the relevant currencies against the Jamaica dollar and the resultant net exchange gains/(losses) based on the net foreign currency assets/(liabilities) at year-end. These percentages represent management's assessment of the reasonably possible change in foreign currency rates. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2008.

10% Devaluation of J$

	2009 $'000	2008 $'000
US dollar (US$)	98,936	142,544
Pound Sterling (£)	(7,855)	(17,503)

2% Revaluation of J$

	2009 $'000	2008 $'000
US dollar (US$)	(19,787)	(28,509)
Pound Sterling (£)	1,571	3,501

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

26. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Currency risk (continued)

Buying exchange rates at:

	December 31	
	2009	2008
US$1 to J$	89.01	79.96
UK£1 to J$	139.80	114.44
€1 to J$	127.30	111.15

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Bank loans and overdrafts are subject to interest rates which may be varied by appropriate notice by the lender.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	2009 $'000	2008 $'000
Fixed rate instruments		
Financial assets	562,117	471,227
Variable rate instruments		
Financial assets	-	10,000
Financial liabilities	(125,817)	(148,777)
	(125,817)	(138,777)

There were no changes in the company's approach to managing interest rate risk during the year.

Cash flow sensitivity analysis for variable rate instruments

An increase of 500 basis points (bps) or a decrease of 800 basis points (bps) in interest rates at the reporting date would have (decreased)/increased profit or loss by the amounts shown below. There would be no effect on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2008.

26. Financial instruments (continued)

(b) Financial instrument risks (continued):

(ii) Market risk (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments (continued)

	2009		2008	
	500 bps increase	800 bps decrease	500 bps increase	800 bps decrease
	$'000	$'000	$'000	$'000
Variable rate instruments	(6,291)	10,065	(6,940)	11,104

Other market price risk

The company is exposed to equity price risks arising from available for sale equity investments. Equity investments are held for strategic purposes and capital gains.

The company's equity securities are all listed on the Jamaica Stock Exchange, except that in the prior year a block of newly issued shares purchased late in the year and which was listed in January 2008, was included in unquoted equities. An increase or decrease of 20% (2008: 20%) in share prices would result in an increase or an equal decrease, respectively, in equity of $277,061,000 (2008: $294,941,000).

There would be no impact on profit or loss at the reporting date (2008 $Nil) as there were no impaired investments or investments designated as fair value through profit or loss.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will not be able to meet it financial obligations as they fall due and/or encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities.

The management of the company aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held or placed in short-term marketable instruments to meet financial obligations when they fall due.

There were no changes in the company's approach to liquidity risk management during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

December 31, 2009

26. Financial instruments (continued)

(b) Financial instrument risks (continued):

(iii) Liquidity risk (continued)

The following are the contractual maturities of non-derivative financial liabilities except for accounts payable, whose contractual maturities equals its carrying value and is repayable within one year. The tables show the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the company can be required to pay. All other financial liabilities are due within one year of the balance sheet date. The analysis also assumes that all other variables, in particular interest and exchange rates, remain constant.

	Weighted Average interest rate %	Carrying amount $'000	Contractual cash flows $'000	0-1 year $'000	1-5 years $'000
December 31, 2009					
Secured bank loans	1.5	125,817	127,836	57,344	70,492
December 31, 2008					
Secured bank loans	5.50	148,777	161,723	52,593	109,130

(iv) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the company defines as total shareholders' equity, excluding minority interest and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

December 31, 2009

27. Subsidiary and joint venture companies

The company has the following subsidiary and joint venture companies. The results of these companies are not included in these financial statements [see note 2 (b)].

	% equity held		Place of
	2009	2008	incorporation
SUBSIDIARY COMPANIES*			
JP Tropical Group Ltd (formerly Producers Holdings Limited)	100	100	Jamaica
Agualta Vale Limited	100	100	"
Agri Services Limited	100	100	"
Eastern Banana Estates Limited	100	100	"
St. Mary Banana Estates Limited	100	100	"
P.S.C. Limited	100	100	"
Jamaica Producers Shipping Company Limited	60	60	"
JP Tropical Foods Ltd (formerly Trinjam Food Processors Limited)	100	100	"
JBFS Investments Limited	100	100	"
Crescent Developments Limited	100	100	"
Central American Banana (2005) Limited	100	100	Cayman Islands
Agroindustrial La Mesa, S.A.	100	100	Honduras
Sula Valley Banana Company, S.A.	80	80	"
JP Shipping Services Limited	100	100	England and Wales
Cariban Limited	100	100	Guernsey
JP Fresh Limited	100	100	England and Wales
Victoria Banana Company Limited	100	100	Jamaica
JP International Group Ltd (formerly SFG Holdings Limited)	100	100	Cayman Islands
Coöperatief JP Foods U.A.	100	100	The Netherlands
A.L.Hoogesteger Fresh Specialist B.V.	100	100	"
Cia. Bananera del Tropico JP, S.A.	100	100	Costa Rica
Four Rivers Mining Company Limited	51	-	Jamaica
JOINT VENTURE COMPANY			
Antillean Foods, Inc.	50	50	Cayman Islands

* The names of inactive subsidiary companies are omitted.

FORM OF PROXY

I/We……
(Block Capitals)
of……..……..

being a member/members of the above-mentioned Company HEREBY APPOINT ……..

…….…… or failing him/her

……
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday June 25, 2010 at 11:00 a.m. and at any adjournment thereof.

DATED this …….. day of …….……. 2010

Signed ……..

If you wish your proxy to vote in a particular manner, please indicate.

	FOR	AGAINST
RESOLUTION 1:		
RESOLUTION 2:		
RESOLUTION 3:		
RESOLUTION 4:		
RESOLUTION 5:		
RESOLUTION 6:		

Notes

1. This Form of Proxy must be lodged at the Registered Office of the Company not later than forty-eight hours before the meeting.
2. Any alterations in this Form of Proxy should be initialled.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, seniority being determined by the order in which the names stand on the Register.
4. If the appointer is a Corporation this Form of Proxy must be executed under its Common Seal.
5. An adhesive stamp for $100.00 must be affixed to this Form of Proxy.

Place $100 adhesive stamp here

Jamaica Producers Group Limited
6A Oxford Road
Kingston 5, Jamaica
Phone: (876) 926-3503
www.jpjamaica.com