

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Financial Statements

March 31, 2024

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Index

Year Ended March 31, 2024

	Page
Independent Auditors' Report to the Members	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 30



10 Holborn Road, Kgn. 5, Ja., W.I.
Tel: (876) 926-4546, 926-6310, 631-8533 - Cell: (876) 386-2618
TeleFax: (876) 631-7555 - E-mail: crhylton@yahoo.com



Independent Auditor's Report (Continued)

To the Board of Management

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Opinion

We have audited the financial statements of Montego Bay Convention Centre Limited ("the Centre"), which comprise the statement of financial position as at March 31, 2024 the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Authority as at March 31, 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Independent Auditors' Report (Continued)

To the Members of **MONTEGO BAY CONVENTION CENTRE LIMITED**

(Formerly Montego Bay Conference Centre Limited)

Auditor's Responsibilities for the Audit of the Financial Statements Continued

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Authority or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Accountants
Kingston, Jamaica
May 21, 2026.

MORTEGO BAY CONVENTION CENTRE LIMITED

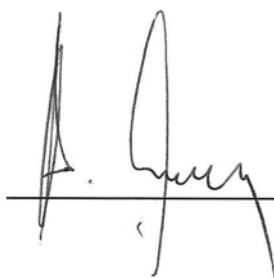
(Formerly Montego Bay Conference Centre Limited)

Statement of Financial Positions**March 31, 2024***(Expressed in Jamaica dollar unless otherwise stated)*

	Note	2024 \$'000	2023 \$'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,672,392	5,815,007
CURRENT ASSETS			
Inventories	5	28,213	27,781
Trade and other receivables	6	147,265	102,373
Cash, bank and deposits	7	123,131	110,874
		298,609	241,028
TOTAL ASSETS		5,971,001	6,056,035
EQUITY			
Share capital	8	7,586,568	7,586,568
Accumulated loss		(2,250,783)	(2,137,554)
		5,335,785	5,449,014
CURRENT LIABILITIES			
Payables and accruals	9	635,216	607,021
TOTAL EQUITY AND LIABILITIES		5,971,001	6,056,035

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

The financial statements were approved for issue by the Board of Management on May 21, 2026 and signed on its behalf by:

 Chairman

 Director

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Statement of Comprehensive Income**Year ended March 31, 2024****(Expressed in Jamaica dollar unless otherwise stated)**

	Note	2024 \$'000	2023 \$'000
REVENUE			
Gross operating revenue	10	336,539	412,269
Cost of operating revenue	11	(130,437)	(214,972)
Gross profit		206,102	197,297
EXPENSES			
Employee costs	12	(123,747)	(61,550)
Administrative, marketing and selling expenses	12	(441,660)	(439,500)
OPERATING LOSS		(359,305)	(303,753)
Government subvention	13	245,156	230,156
Foreign exchange loss		754	(2,398)
Interest income	14	167	125
Loss being total comprehensive loss for the year		(113,228)	(75,870)

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

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Statement of Changes in Equity**Year ended March 31, 2024*****(Expressed in Jamaica dollar unless otherwise stated)***

	Share Capital \$'000	Accumulated Loss \$'000	Total \$'000
Balances at March 31, 2022	7,586,568	(2,061,684)	5,524,884
Net loss, being total comprehensive loss for the year	-	(75,870)	(75,870)
Balances at March 31, 2023	7,586,568	(2,137,554)	5,449,014
Net loss, being total comprehensive loss for the year	-	(113,228)	(113,228)
Balances at March 31, 2024	7,586,568	(2,250,782)	5,335,786

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

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Statement of Cash Flows**Year ended March 31, 2024****(Expressed in Jamaica dollar unless otherwise stated)**

	Note	2024 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year		(113,229)	(75,870)
Adjustments for:			
Depreciation	4	159,625	178,146
Interest income	15	(167)	(125)
		<u>46,229</u>	<u>102,151</u>
<i>Movements in working capital</i>			
Decrease/(increase) in current assets:			
Inventories		(431)	(1,185)
Receivable		(44,892)	(42,706)
Increase/(decrease) in current liability:			
Payables and accruals		<u>28,194</u>	<u>(16,341)</u>
<i>Net cash provided by operating activities</i>		<u>29,100</u>	<u>41,919</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		167	125
Acquisition of property, plant and equipment		<u>(17,010)</u>	<u>(23,095)</u>
<i>Net cash used in investing activities</i>		<u>(16,843)</u>	<u>(22,970)</u>
Net increase in cash and cash equivalents		12,257	18,949
Cash and cash equivalents at the beginning of the year		<u>110,874</u>	<u>91,925</u>
Cash and cash equivalents at the end of the year		<u><u>123,131</u></u>	<u><u>110,874</u></u>

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

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

1. IDENTIFICATION

Montego Bay Convention Centre Limited ("the company") is incorporate and domiciled in Jamaica and is wholly owned subsidiary of the Government of Jamaica. The company was registered as Montego Bay Conference Centre Limited and on May 6, 2021 changed its name to Montego Bay Convention Centre Limited. The company's principal place of business and registered office is located at Rose Hall, Montego Bay, Jamaica.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the relevant requirements of the Jamaican Companies Act.

2.2 Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events *and actions, actual results could differ from those estimates. The areas Involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.16.

The financial statements do not include any assets or liabilities which are measured at fair value after initial recognition.

2.3 Reporting currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

2.4 Going concern

Management continues to have reasonable expectation that the company has adequate resources to continue operating for at least the next 12 months from the date of approval of the financial statements. The preparation of the financial statements in conformity with IFRS assumes that the company will continue in operational existence for the foreseeable future. This means, in part, that the statements of financial position and profit or loss and other comprehensive income assume no intention or necessity to liquidate or to terminate operations. This is commonly referred to as the going concern basis. Management has concluded that the going concern basis of preparation remains appropriate.

The company has accumulated deficit of \$2.25 billion (2023: \$2.14 billion) and a net current liability position of \$337 million (2023: \$366 million) and therefore relies on the financial support of the Ministry of Tourism to continue meeting its obligations as and when they fall due. The advent of the COVID-19 pandemic (see note 19) has significantly impacted the operations and operational cash flows of the company due to the prohibition of mass events and the impact on international travel.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

2. BASIS OF PREPARATION (Cont'd)

2.4 Going concern (Cont'd)

The company is being funded by the Ministry of Tourism. The government has allocated resources to the company for the previous financial year and has given its commitment to fund the company for subsequent years. Based on projections, management is of the view that the amounts allocated or committed should allow the company to cover projected shortfalls in cash flows from operations. The amounts allocated take into account the impact of COVID-19 on the company. Management has also adopted cost cutting measures and postponement of capital expenditure to manage the company's cash flows and preserve liquidity.

In addition, as indicated in note 10, amounts due to two government related entities have been written back. As a result, long-term liabilities with related parties has been eliminated, improving the company's net asset position.

Based on these factors, management has reasonable expectation that the company has adequate resources to meet its obligations as and when they fall due.

2.5 New and amended IFRS that became effective during the year

During the year, certain new standards, interpretations and amendments to existing standards became effective as listed below. Management has assessed that none of the newly effective standards resulted in any adjustments to its accounting policies, financial position, financial performance, disclosures or other amounts in these financial statements, but may impact the accounting for future transactions or arrangements.

		Effective for annual periods beginning on or after
<u>Amendments to Standards</u>		
IFRS 16	Leases	
	- Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 April 2021
IFRS 4, 7, 9, 16, IAS 39	- Interest Rate Benchmark Reform – Phase 2: Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021

These amendments to IFRS are not considered relevant to the Company.

2.6 New and amended IFRS in issue but not yet effective

At the date of authorisation of these financial statements, there were certain new and amended standards, and interpretations which were in issue but were not yet effective and had not been early-adopted by the company. Those which management considers may be relevant to the company are as follows:

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****2. BASIS OF PREPARATION (Cont'd)****2.6 New and amended IFRS in issue but not yet effective (Cont'd)**

		Effective for annual periods beginning on or after
<u>New Standards</u>		
IFRS 17	Insurance Contracts	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 January 2023
<u>Revised Standards</u>		
IFRS 3	Business Combinations	
	- Amendments updating a reference to the <i>Conceptual Framework</i>	1 January 2022
IFRS 1, 9, 16 IAS 41	Amendments arising from 2018 – 2020 Annual Improvements to IFRS : Subsidiary as a first-time adopter; Fees in the 10% test for derecognition of a financial liability; Amendment to IFRS 16 lease example; Taxation in fair value measurements (agriculture)	1 January 2022
IFRS 4	Insurance Contracts	
	- Fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 is now revised to 1 January 2023	1 January 2023
IAS 1	Presentation of Financial statements	
	- Amendments regarding the classification of liabilities as current or non-current	1 January 2023
	- Disclosure of Accounting policies and amendments also to IFRS Practice Statement 2	
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	
	- Amendments regarding the definition of accounting estimate	1 January 2023
IAS 12	Income Taxes	
	- Amendment regarding deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 16	Property, Plant and Equipment	
	- Amendment prohibiting deducting from cost of PP&E, amounts received from selling items produced while the entity is preparing the asset for its intended use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent	
	- Amendments regarding the cost to include when assessing whether a contract is onerous	1 January 2022

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

2. BASIS OF PREPARATION (Cont'd)

2.6 New and amended IFRS in issue but not yet effective (Cont'd)

The company has assessed the relevance of all such new standards, interpretations and amendments, and has determined that the following may be relevant to its operations, and has concluded as follows:

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***

In January 2021, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. This amendment is not expected to impact on the financial statements of the company.

- **Amendments to IAS 1: *Disclosure of Accounting Policies***

In February 2021, the IASB issued amendments to IAS1 and *IFRS Practice Statement 2 Making Materiality Judgements* with the aim of assisting entities to provide accounting policy disclosures that are more useful by:

- (1) Replacing the requirement to disclose '*significant*' accounting policies with a requirement to disclose '*material*' accounting policies
- (2) Adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures. Guidance and examples are provided to assist the process of application. Entities will need to consider the size of transactions, other events or conditions and their nature in making the assessment.

The amendments may impact the accounting policy disclosures of entities as judgment is required to determine if accounting policy disclosures are material or not. Careful consideration will have to be given to standardized information or those that only duplicate or summarises the requirements of IFRSs in deciding whether to remove or retain these as material in enhancing the usefulness of the financial statements.

The amendments are effective for annual reporting period beginning on or after January 1, 2023 with earlier adoption permitted.

The company has not yet performed a detailed review of its accounting policies in light of the amendments.

- **Amendments to IAS 8: *Definition of Accounting Estimates***

In February 2021, the IASB issued amendments to IAS 8 introducing a new definition of accounting estimates. The amendment clarifies the distinction between changes in accounting estimates, changes in accounting policy and the correction of errors.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

2. BASIS OF PREPARATION (Cont'd)

2.6 New and amended IFRS in issue but not yet effective (Cont'd)

Clarification is also given on how entities use measurement techniques and inputs to develop accounting estimates

The amendments apply to changes in accounting policies and changes in accounting estimates are effective for annual reporting period beginning on or after January 1, 2023 with earlier adoption permitted.

The amendments are not expected to have a material impact on the company's financial statement.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have an impact on the company.

- **Amendments to IAS 8: definition of accounting estimated**

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- Clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

2. BASIS OF PREPARATION (Cont'd)

2.6 New and amended IFRS in issue but not yet effective (Cont'd)

- **Amendments to IAS 8: *definition of accounting estimated* (continued)**

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The company does not expect any significant impact on its financial statements on implementing the amendments on the effective date.

The significant accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and are measured at cost. Cash equivalents are short-term highly liquid instruments readily convertible to known amounts of cash, are subject to insignificant risk of change in value and are used for short-term commitments.

3.2 Accounts receivable:

Accounts receivable are measured at amortised cost, less impairment losses if any.

3.3 Inventories:

Inventories are measured at the lower of cost, determined on the weighted average basis, and net realisable value.

3.4 Property, plant and equipment:

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. 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 its cost can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation is provided on the straight-line basis at annual rates estimated to write- down the cost of the assets to their estimated residual values over their expected useful lives.

The depreciation rates are as follows:

Building	- 40 years
Machinery and equipment	- 5 years
Furniture and fixtures	- 5 years
Computer equipment	-5 years
Motor vehicle	-10 years

No depreciation is charges on land and capital work-in-progress.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Property, plant and equipment (Cont'd)

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

3.5 Leases:

3.5.1 Determining whether an arrangement contains a lease:

At inception of an arrangement, the company determines whether an arrangement is or contains a lease. If the company concludes for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised as the amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the company's incremental borrowing rate.

3.5.2 Leased assets:

Assets held by the company under leases that transfer to the company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

The depreciation rates applied to leased assets are consistent with similar owned assets, except where there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, in which case the asset is depreciated at the shorter of the lease term and its useful life.

Assets held under other leases are classified as operating leases and are not recognised in the company's statement of financial position.

3.5.3 Lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.6 Accounts payable and accrued charges:

Accounts payable and accrued charges are measured at amortised cost.

3.7 Deferred income:

Deferred income is classified as a liability and measured at amortised cost. It is recognised in income on a straight-line basis over the contracted period.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.8 Impairment:

3.8.1 Non-financial assets:

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Calculation of recoverable amount:

The recoverable amount of non-financial 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.

Reversal of impairment:

An impairment loss is reversed, if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.8.2 Financial assets:

The company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset for which credit risk has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve-month ECL.

Measurement of ECLs at each reporting period reflects reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, the company applies the simplified approach to provide for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

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

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

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Taxation:

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

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Foreign currencies:

Foreign currency transactions during the year are converted to United States dollars at the rates of exchange ruling on transaction dates. Assets and liabilities denominated in foreign currencies are translated to United States dollars at the rates of exchange prevailing at the reporting date. Gains or losses arising on translation are reflected in profit or loss.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating activities along with the principal balances.

3.11 Revenue recognition:

Revenue from services provided and sale of goods is measured at fair value of the consideration received or receivable, net of volume rebates and sales taxes.

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)**

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**3.11 Revenue recognition (Cont'd)**

<i>Type of products and services</i>	<i>Nature and timing of satisfaction of performance obligations, including significant payment terms</i>	<i>Revenue recognition under IFRS 15</i>
Rendering of services	Customers obtain control of service when accommodation and ancillary services have been provided. Invoices for services are generated at that point in time. Invoices are usually payable within 30 days.	The company recognises revenue over time as services are provided.
Sale of goods	Customers obtain control of goods when the good is transferred to the customer. Invoices for goods are generated at that point in time.	Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the company for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenues are decreased by any trade discounts granted to customers.

3.12 Expenses:

Expenses are recognised on the accrual basis.

3.13 Finance income and costs:

3.13.1 Finance income comprises interest earned on funds invested and foreign exchange gains. Interest is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

3.13.2 Finance costs comprise interest charges on financing and are recognised on the accrual basis.

3.14 Share capital:

Ordinary shares are classified as equity and measured at cost.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents and accounts receivables. Financial liabilities comprise due to related parties, accounts payable, loan and leases.

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

The financial assets that meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as "Held to collect" and measured at amortised cost.

Classification and subsequent measurement (continued)

Amortised cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Accounts receivable

Due to their short-term nature, the company initially recognises these assets at the original invoiced or transaction amount less expected credit losses.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.15 Financial instruments (Cont'd)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.16 Use of estimates, assumptions and judgements:

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years if the revision affects both current and future years.

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

3.16.1 Judgement

Impairment of financial assets:

Establishing the criteria for determining whether credit risk on financial assets has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and the selection and approval of models used to measure ECL require significant judgement.

3.16.2 Estimate

Allowance for impairment losses:

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information.

Under this ECL model, the company segments its trade receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 6 months and analysis of future delinquency, that is applied to the balance of the trade receivables. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 120 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

In determining the amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, due to default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks [see note 3.8.2].

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****4. PROPERTY, PLANT AND EQUIPMENT**

	Land and building \$'000	Machinery and equipment \$'000	Computer and equipment \$'000	Furniture and Fixtures \$'000	Motor vehicles \$'000	Total \$'000
Cost						
March 31, 2022	6,994,816	41,560	73,242	85,413	4,024	7,199,055
Additions	2,010	19,852	674	559	-	23,095
March 31, 2023	6,996,826	61,412	73,916	85,972	4,024	7,222,150
Additions	-	9,176	6,873	961	-	17,010
March 31, 2024	6,996,826	70,588	80,789	86,933	4,024	7,239,160
Depreciation						
March 31, 2022	1,061,309	26,167	60,529	77,222	3,770	1,228,997
Charge for the year	151,693	6,310	11,614	8,275	254	178,146
March 31, 2023	1,213,002	32,477	72,143	85,497	4,024	1,407,143
Charge for the year	151,703	6,358	1,363	201	-	159,625
March 31, 2024	1,364,705	38,835	73,506	85,698	4,024	1,566,768
Carrying amount						
March 31, 2024	5,632,121	31,753	7,283	1,235	-	5,672,392
March 31, 2023	5,783,824	28,935	1,773	475	-	5,815,007

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****5. INVENTORIES**

	2024	2023
	\$'000	\$'000
Cost:		
Food and beverage	2,031	2,902
Linen, chinaware and other kitchen supplies	23,945	22,789
Petrol	2,237	2,090
	<u>28,213</u>	<u>27,781</u>

6. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$'000	\$'000
Trade receivables	11,344	4,939
Prepayment	19,031	14,882
GCT recoverable	103,191	72,636
Other receivables and deposits	13,699	10,062
	<u>147,265</u>	<u>102,519</u>
Less: allowance for impairment	-	(146)
	<u>147,265</u>	<u>102,373</u>

Allowances for impairment

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	146	146
Decrease in allowance	(146)	-
Debt written off during the year	-	-
Allowances recovered during the year	-	-
Less: allowance for impairment	<u>-</u>	<u>146</u>

Ageing of trade receivables

	2024	2023
	\$'000	\$'000
Due 0 – 30 days	8,161	3,457
Past due 31 – 60 days	3,022	1,015
Past due 61 - 90 days	84	-
More than 90 days	77	466
Less: allowance for impairment	<u>11,344</u>	<u>4,938</u>

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****7. CASH AND CASH EQUIVALENTS**

	2024	2023
	\$'000	\$'000
NCB- current accounts	14,143	10,483
NCB saving account (US\$)	108,766	99,067
Cash in transit	222	1,324
	<u>123,131</u>	<u>110,874</u>

8. SHARE CAPITAL

	2024	2023
	\$'000	\$'000
Authorised, issued and fully paid -April 1 and March 31		
10,000 ordinary shares of no par value	<u>7,586,568</u>	<u>7,586,568</u>

Under the Jamaican Companies Act 2004, all shares in issue are deemed to be shares without a par (nominal) value. The shares are held by the Accountant General for the Government of Jamaica as beneficial owner.

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

9. PAYABLES AND ACCRUALS

	2024	2023
	\$'000	\$'000
Trade payables	23,456	1,680
Deposits	33,121	11,663
Statutory payroll liabilities	552,969	551,436
Accrued vacation leave	(133)	2,017
Other accruals	25,803	40,225
	<u>635,216</u>	<u>607,021</u>

10. GROSS OPERATING REVENUE

Gross operating revenue represents income from the rental of ballrooms and meeting rooms, provision of service in hosting events and sale of food, net of general consumption tax

	2024	2023
	\$'000	\$'000
Billed income	31,126	82,951
Contracted sales	66,618	136,928
Food sales	161,500	143,719
Rental income	63,113	34,019
Service income	13,693	12,361
Other income	489	2,291
	<u>336,539</u>	<u>412,269</u>

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****EXPENSES**

	2024	2023
	\$'000	\$'000
11. Cost of operating revenue		
Allocated labour	7,849	10,510
Audio visual	5,523	47,048
Equipment rental	18,524	45,965
Food and beverage	71,392	57,234
Security	3,709	2,788
Other service	23,440	51,427
	<u>130,437</u>	<u>214,972</u>
12. Employee cost		
Salaries, wages and related expenses	109,830	54,633
Payroll taxes	13,917	6,917
	<u>123,747</u>	<u>61,550</u>
Administrative, marketing and selling expenses		
Advertising and promotion	16,199	9,742
Audit fees	3,000	3,000
Bank charges	540	347
General expenses	17,902	33,610
Insurance	37,981	23,207
Interest and penalties	1,382	21
Dues and subscription	1,059	-
Depreciation and amortisation	159,623	178,146
Meeting and convention	1,318	1,433
Utilities	94,528	80,655
Miscellaneous expenses	5,874	5,335
Office expenses	12,681	5,791
Operational supplies	6,940	12,251
Professional fees	1,406	7,010
Travel	2,271	113
Repairs and maintenance	40,023	55,983
Security	38,933	22,856
	<u>441,660</u>	<u>439,500</u>

13. GOVERNMENT SUBVENTION

This balance represents subvention received from the Ministry of Tourism during the year.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024*****(Expressed in Jamaican dollars unless otherwise stated)***

14. INTEREST INCOME

	2024	2023
	\$'000	\$'000
Interest income	<u>167</u>	<u>125</u>

15. TAXATION

- (a) At March 31, 2024, taxation losses, available for set-off against future taxable profit, subject to agreement by the Commissioner General, Tax Administration Jamaica, amounted to approximately \$5,090 million (2023: \$4,647 million). If these losses are unutilised, they can be carried forward indefinitely. However, the use of the tax losses is restricted to 50% of the taxable profits in any one year.
- (b) A deferred tax asset of approximately \$1,273 million (2023: \$1,162 million), relating to tax losses, has not been recognised at the reporting date, as management does not expect to utilise the losses within the foreseeable future.

16. FINANCIAL INSTRUMENTS

(a) Financial risk management:

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

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

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

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit department of a related party assists the company in monitoring adherence to policies and procedures through periodic reviews.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date is represented by the carrying amount of the company's financial assets and there is no significant concentration of credit risk.

Cash and cash equivalents

The company limits its exposure to credit risk by placing cash resources with financial institutions that are appropriately licensed and regulated and management considers them to be financially strong based on ratings done by international rating agencies. Therefore, the risk of default is considered low by management.

Accounts receivable

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is concentration of a small group of receivables with customers within the hospitality industry.

The company does not require collateral in respect of trade and other receivables.

The aged receivable balances are regularly monitored. Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are recognised over their term.

Expected credit loss assessment for trade receivables

The company estimates expected credit losses ("ECL") on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customer.

MONTEGO BAY CONVENTION CENTRE LIMITED
(Formerly Montego Bay Conference Centre Limited)
Notes to the financial statements
Year ended March 31, 2024
(Expressed in Jamaican dollars unless otherwise stated)

16. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management (cont'd):

(i) Credit risk (cont'd)

Accounts receivable (cont'd)

Expected credit loss assessment for trade receivables (continued)

The following table provides information about the ECL's for trade receivables:

Age buckets	Weighted Average loss rate	Gross Carrying amount	2024	
			Impairment Loss allowance	Credit impaired
0 - 30 days	-	8,161		No
31-60 days	-	3,022	-	No
61-90 days	-	84	-	No
Over 90 days	-	77	-	No
		<u>11,344</u>	<u>-</u>	

Age buckets	Weighted Average loss rate	Gross Carrying amount	2023	
			Impairment Loss allowance	Credit impaired
0 - 30 days	-	3,457	-	No
31-60 days	3.35%	1,015	34	Yes
61-90 days	-	-	-	No
Over 90 days	24%	466	112	Yes
		<u>4,938</u>	<u>146</u>	

(ii) Liquidity risk

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

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****16. FINANCIAL INSTRUMENTS (Cont'd)**

(a) Financial risk management (cont'd):

(ii) Liquidity risk (cont'd)

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses. Additional financing is provided by a related party when required.

The maturity profiles of the liabilities are as follows:

	2024				
	Carrying Amount	Contractual cash Flows	1 year or less	2-5 years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Accounts payable	627,823	627,823	627,823	-	-
Total financial liabilities	627,823	627,823	627,823	-	-

	2023				
	Carrying Amount	Contractual cash Flows	1 year or less	2-5 years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
Accounts payable	607,021	607,021	607,021	-	-
Total financial liabilities	607,021	607,021	607,021	-	-

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's 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 optimising the return on risk.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024*****(Expressed in Jamaican dollars unless otherwise stated)***

16. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management (cont'd):

(iii) Market risk (cont'd)

a. Foreign currency risk:

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The company is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the company, primarily the United States dollar (US\$).

The company's net exposure at the reporting date was:

Financial assets:	2024		2023	
	US\$	J\$ Equivalent	US\$	J\$ Equivalent
Cash and cash equivalents	697,000	108,766,000	660,000	99,067,000

There was no financial liability.

Exchange rates, for the United States dollar, were as follows:

March 31, 2024 US\$1: J\$156

March 31, 2023 US\$1: J\$149.96

A 4% (2023: 4%) strengthening of the US\$ against the J\$ would decrease loss for the year by \$4,351 (2023: \$3,963). A 1% (2023: 1%) weakening of the US\$ against the J\$ would increase loss for the year by \$1,088 (2023: \$991).

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis was performed on the same basis for 2023.

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements**Year ended March 31, 2024****(Expressed in Jamaican dollars unless otherwise stated)****16. FINANCIAL INSTRUMENTS (Cont'd)**

(a) Financial risk management (cont'd):

(iv) Interest rate risk:

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

The company contracts financial liabilities at fixed interest rates. These primarily relates to leases, which are subject to interest rates fixed in advance.

Interest-bearing financial assets mainly comprise cash and cash equivalents.

At the reporting date, the company's interest-bearing financial instruments was as follows:

	2024 \$'000	2023 \$'000
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial assets	108,766	99,067

Cash flow sensitivity analysis for variable rate instruments

An increase or decrease in basis points (bps) in interest rates at the reporting date would have increased/(decreased) loss for the year by amounts shown below.

	2024		2023	
	\$'000		\$'000	\$'000
	Increase	Decrease	Increase	Decrease
	100bp	50bp	100bp	50bp
	(J\$ & US\$)	(J\$ & US\$)	(J\$ & US\$)	(J\$ & US\$)
Effect on loss for the year:				
Decrease/(increase)	1,088	544	991	495

MONTEGO BAY CONVENTION CENTRE LIMITED

(Formerly Montego Bay Conference Centre Limited)

Notes to the financial statements

Year ended March 31, 2024

(Expressed in Jamaican dollars unless otherwise stated)

16. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management (cont'd):

(iv) Interest rate risk (Cont'd)

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

The company has no financial instruments that are carried at fair value; therefore, a change in interest rates would not affect the value of the company's financial instruments.

a. Capital management:

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders.

The Board seeks to maintain a strong capital base so as to sustain future development of the business. The company defines capital as total equity. The company is not subject to any externally imposed capital requirements and there was no change in how the company manages and measures capital.

b. Fair values of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

The company does not carry any financial instrument at fair value and where fair value approximates the carrying value of the financial instruments, no fair value computation or disclosure of the fair value hierarchy is done.

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued charges and loan payable are assumed to approximate their carrying value, due to their short-term nature. The fair value of amount due to related parties is assumed to approximate carrying value due to its short-term nature or ability to effect set-off in the amount due.