

**BERMUDA LAND DEVELOPMENT  
COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

## Management's Responsibility for the Financial Statements

These financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Board of Directors (the "Board") is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Board meets periodically with management to discuss matters relating to financial reporting, internal control and audits. The financial statements have been reviewed and approved by the Board and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.



Mr. Francis Mussenden  
Chief Executive Officer

FEBRUARY 3, 2015

Date



Mr. H. Anthony Richardson, C.A.  
Chief Financial Officer

February 2, 2015

Date



## *Office of the Auditor General*

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### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Bermuda Land Development Company Limited

I have audited the accompanying financial statements of the Bermuda Land Development Company Limited, which comprise the statement of financial position as at March 31, 2010, and the statement of operations and retained earnings and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Bermuda and Canada 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.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Bermuda Land Development Company Limited as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

Hamilton, Bermuda  
February 2, 2015



Heather A. Jacobs Matthews, JP, FCPA, FCA, CFE  
Auditor General

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2010

(expressed in Bermuda dollars)

	2010 \$	2009 \$ Restated (note 15)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (note 4)	9,999,129	10,547,203
Tenant receivables (net of allowance for doubtful accounts of \$1,290,785; 2009 - \$1,008,526)	1,235,356	938,495
Other receivables	8,224	10,228
Prepaid expenses	1,520	11,357
	<u>11,244,229</u>	<u>11,507,283</u>
RESTRICTED CASH (note 4)	175,382	167,412
CAPITAL ASSETS (notes 5 & 15)	30,023,425	31,527,449
	<u>41,443,036</u>	<u>43,202,144</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	903,163	918,292
Tenant deposits	330,555	533,809
Deferred revenue, current portion	105,590	128,663
	<u>1,339,308</u>	<u>1,580,764</u>
DEFERRED REVENUE	789,616	894,082
DEFERRED CAPITAL CONTRIBUTIONS (notes 7 & 15)	18,595,480	20,769,869
	<u>20,724,404</u>	<u>23,244,715</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 9)	5,000,000	5,000,000
Retained earnings	15,718,632	14,957,429
	<u>20,718,632</u>	<u>19,957,429</u>
	<u>41,443,036</u>	<u>43,202,144</u>
COMMITMENT (note 12)		

The accompanying notes are an integral part of these financial statements

BERMUDA LAND DEVELOPMENT COMPANY LIMITED  
STATEMENT OF OPERATIONS AND RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31, 2010  
(expresses in Bermuda dollars)

	2010	2009
	\$	\$
<b>REVENUES</b>		
Rental income	5,831,588	5,182,218
Tenant recoveries	1,124,354	1,030,025
Other income	55,118	305,189
Interest income	27,547	152,599
Sale of cottages	-	691,497
	<u>7,038,607</u>	<u>7,361,528</u>
<b>EXPENSES</b>		
Salaries, wages and employee benefits	2,119,342	2,229,172
Amortization of capital assets	2,115,687	1,674,549
Utilities (note 11)	907,234	845,452
Repairs and maintenance	852,640	633,123
Write-off of assets under development (note 5)	777,653	-
Insurance	554,375	557,015
Bad debts	514,302	558,028
General and administrative	396,782	540,941
Security	213,778	250,299
	<u>8,451,793</u>	<u>7,288,579</u>
(Loss) net income before amortization of deferred capital contributions	(1,413,186)	72,949
Amortization of deferred capital contributions (note 7)	1,396,736	1,149,113
Write-off of deferred capital contributions (note 7)	777,653	-
	<u>761,203</u>	<u>1,222,062</u>
<b>NET INCOME</b>		
RETAINED EARNINGS, BEGINNING OF YEAR	14,957,429	13,735,367
	<u>15,718,632</u>	<u>14,957,429</u>
<b>RETAINED EARNINGS, END OF YEAR</b>		

The accompanying notes are an integral part of these financial statements

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2010

(expressed in Bermuda dollars)

	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	761,203	1,222,062
Adjustments made for:		
Amortization of capital assets	2,115,687	1,674,549
Amortization of deferred capital contributions	(1,396,736)	(1,149,113)
Write-off of assets under development	777,653	-
Write-off of deferred capital contributions	(777,653)	-
Gain on sale of cottages	-	(691,497)
	<u>1,480,154</u>	<u>1,056,001</u>
Changes in non-cash working capital:		
Increase in tenant receivables	(296,861)	(216,246)
Decrease in other receivables	2,004	1,350
Decrease in prepaid expenses	9,837	243
Decrease in accounts payable and accrued liabilities	(15,129)	(237,919)
(Decrease) increase in tenant deposits	(203,254)	20,110
Decrease in deferred revenue	(127,539)	(155,229)
	<u>849,212</u>	<u>468,310</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of capital assets	(1,389,316)	(2,549,572)
Proceeds from sale of cottages	-	691,497
	<u>(1,389,316)</u>	<u>(1,858,075)</u>
Cash flows used in investing activities	<u>(1,389,316)</u>	<u>(1,858,075)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(540,104)	(1,389,765)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,714,615</u>	<u>12,104,380</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (note 4)	<u><u>10,174,511</u></u>	<u><u>10,714,615</u></u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest received	<u>27,547</u>	<u>169,197</u>

The accompanying notes are an integral part of these financial statements

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

1. NATURE OF BUSINESS

The Bermuda Land Development Company Limited (the "Company") was incorporated under the authority of The Base Lands Development Act 1996 (the "Act") on November 12, 1996. The shares of the Company are held by the Minister of Works & Engineering and the Minister of Finance in trust for the benefit of the country.

The general purpose of the Company is to manage and develop the land entrusted to it. The Company does this in a manner that will integrate the land into the economic and social fabric of Bermuda and create opportunities for increased employment now and in the future for the well-being of the present and future generations of Bermudians.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in Bermuda and Canada. For financial reporting purposes, the Company is classified as an other government organization and has adopted accounting policies appropriate for this classification. Those policies considered particularly significant are set out below:

(a) Revenue recognition

(i) *Rental income*

The Company recognizes rental income on an accrual basis and is generated through rental leases. All capital assets noted as buildings in Note 5 are used to generate rental income.

(ii) *Tenant recoveries*

Common area expenses recovered from tenants are shown as revenue.

(iii) *Interest income*

Interest income is recognized on an accrual basis.

(iv) *Other income*

Other income which includes lease negotiation fees is recognized on an accrual basis.

(v) *Sale of cottages*

The Company renovates houses and properties and leases them for a maximum period not exceeding the remaining term of the head lease with the Government of Bermuda (the "Government"). All proceeds from the lease are received at the time the lease agreement is executed. The long-term leases are treated as sales.



BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Grants from the Government

Capital grants received from the Government for the purpose of capital developments are shown as capital grants and are deferred and taken into income on the same basis as the amortization of the related capital asset.

(c) Cash and cash equivalents

Cash and cash equivalents include all cash held with financial institutions that can be withdrawn without prior notice or penalty and time deposits with an original maturity of 90 days or less.

(d) Capital assets

Capital assets are valued at cost. Costs incurred by the Company for improvements to buildings and infrastructure, purchase of equipment, site preparation and demolition are capitalized.

Amortization is calculated using the straight-line basis over the estimated useful lives as follows:

Equipment	5 years
Infrastructure	5 to 15 years
Buildings	5 to 20 years

Assets under development represent the cost of direct materials and labour of capital projects not completed at year-end.

Amortization has not yet been charged against site preparation costs, which include costs to clear land and demolish obsolete structures as these costs were necessary to bring the property into condition for future development. It is the intention of the Company to amortize these costs over the estimated useful life of each of the properties once development is completed.

No carrying value has been assigned to the buildings and other assets assumed by the Company included as part of the lease (note 12).

(e) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instruments, recognition and measurement

The Company's financial instruments consist of cash and cash equivalents, tenant receivables, other receivables, accounts payable and accrued liabilities and tenant deposits. They are all categorized as held-for-trading and their fair value approximates their carrying value due to their short term maturity.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Certain items such as prepaid expenses, capital assets, deferred revenue and deferred capital contributions are excluded from fair value disclosure requirements as they are not financial instruments.

3. ECONOMIC DEPENDENCE

The Company will require significant funding for demolition, construction and repair of infrastructure. The Company is dependent on the Government funding to achieve its development goals.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, cash equivalents and call deposits.

	2010	2009
	\$	\$
Cash and cash equivalents:		
Cash at bank	767,234	348,896
Call deposit	7,407,387	8,325,018
Money market fund	1,824,508	1,873,289
	<u>9,999,129</u>	<u>10,547,203</u>
Restricted cash:		
Call deposits	175,382	167,412
	<u>10,174,511</u>	<u>10,714,615</u>

Restricted cash are call deposits relating to cottages sold. The cash is held on deposit with various mortgage lenders to guarantee a portion of the purchaser's mortgage value.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

5. CAPITAL ASSETS

	2010			Restated (note 15) 2009
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Net Book Value \$
Buildings	27,036,797	7,904,254	19,132,543	18,692,205
Infrastructure	12,842,369	5,101,510	7,740,859	7,097,075
Equipment	1,455,334	1,087,527	367,807	448,302
	<u>41,334,500</u>	<u>14,093,291</u>	<u>27,241,209</u>	<u>26,237,582</u>
Assets under development	<u>2,782,216</u>	<u>-</u>	<u>2,782,216</u>	<u>5,289,867</u>
	<u><u>44,116,716</u></u>	<u><u>14,093,291</u></u>	<u><u>30,023,425</u></u>	<u><u>31,527,449</u></u>

Assets under development consist of:

	2010 \$	2009 \$
Construction in progress	1,233,358	704,263
Infrastructure	1,070,366	1,062,932
Site preparation	62,575	1,879,638
Repair/refurbishment	415,917	485,482
Tenant buildout	-	1,157,552
	<u>2,782,216</u>	<u>5,289,867</u>

During the year, assets under development amounting to \$777,653 were written-off because they are no longer relevant to current and future capital projects.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010	2009
	\$	\$
Trade payables	563,784	552,858
Accrued expenses	215,294	154,192
Contractors retention	62,143	107,865
Other	61,942	103,377
	<u>903,163</u>	<u>918,292</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of capital assets received and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	2010	2009
	\$	\$
Balance, beginning of year	20,769,869	29,674,662
Less: land write-off (note 15)	-	(7,755,680)
Less: amounts amortized to operations	(1,396,736)	(1,149,113)
Less: write-off of assets under development	(777,653)	-
Balance, end of year	<u>18,595,480</u>	<u>20,769,869</u>

8. RELATED PARTY TRANSACTIONS

The Company is related in terms of common ownership to all Government departments and agencies. The Company enters into transactions with these entities in the normal course of business which are measured at the exchange amount which is established and agreed to by the related parties. Related party transactions entered into by the Company during the year are as follows:

	2010	2009
	\$	\$
Transactions during the year:		
Rental income	2,337,772	2,169,675
Insurance	554,375	557,015
Salaries, wages and employee benefits	224,022	233,898
Balances at the end of the year:		
Tenant receivables	235,182	116,831
Accounts payable and accrued liabilities	67,890	148,878

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

8. RELATED PARTY TRANSACTIONS (continued)

During the year, the Company entered into some lease transactions with related parties at less than fair market value.

During the year, the Chairman and Deputy Chairman of the Board of Directors (the "Board") provided consultancy services to the Company. Total expenses incurred in respect to this consultancy work as at March 31, 2010 was \$52,470 (2009 - \$Nil) of which \$24,310 (2009 - \$Nil) was payable.

During the year ended March 31, 2010, the Company incurred expenses in the amount of \$30,583 (2009 - \$Nil) to a related party of which \$9,946 (2009 - \$Nil) was payable.

9. SHARE CAPITAL

	2010	2009
	\$	\$
Authorized and issued:		
10,000,000 common shares of \$1 par value each	<u>10,000,000</u>	<u>10,000,000</u>
50% called and fully paid in cash	<u>5,000,000</u>	<u>5,000,000</u>

Upon incorporation the Company issued 10,000,000 common shares, of which 50% were called and paid.

10. EMPLOYEE BENEFITS

(a) Pension

The Company has a defined contribution pension plan. Employees join after three months with the Company and contributions levels are 5% of gross salary, which is matched by the Company. The pension expense to the Company for the year, included in salaries, wages and employee benefits was \$93,162 (2009 - \$94,325).

(b) Other benefits

Other employee benefits include maternity leave, sick leave and vacation days. All of these benefits are unfunded.

Maternity leave does not accumulate or vest and therefore an expense and liability is only recognized when extended leave is applied for and approved. There were no maternity leave benefits applied for or approved during the current year and therefore, no liability has been accrued in the accounts.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

10. EMPLOYEE BENEFITS (continued)

Sick leave accumulates but does not vest, and like maternity leave, a liability is recorded only when extended leave is applied for and approved. There was no extended sick leave applied for or approved during the current year and therefore, no liability has been accrued in the accounts.

Vacation days accumulate and vest and therefore a liability is accrued each year. The accrued vacation liability at March 31, 2010 is \$22,174 (2009 - \$14,310) and is included in accounts payable and accrued liabilities.

11. UTILITIES EXPENSE

The Company's primary business is the redevelopment of the former base lands. The Company provides infrastructure services in the form of water, sewage, telephone and data, commonly referred to as utilities. The Company is best able to monitor the cost of providing utility services by matching utility salaries and wages against the related utility revenues. Included in utilities expense are salaries and wages in the amount of \$342,407 (2009 - \$362,454).

12. COMMITMENT

On May 13, 1997, the Company entered into a lease with the Government for a period of 131 years (extended to 262 years (see note 17)).

13. FINANCIAL RISK MANAGEMENT

The Company has exposure to counterparty credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Finance and Audit Committee which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The Finance and Audit Committee regularly reports to the Board on its activities. The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance. The Company manages its risks and risk exposures through a combination of insurance and sound business practices.

*(a) Credit Risk*

Credit risk arises from cash held with banks and credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

13. FINANCIAL RISK MANAGEMENT (continued)

*(i) Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, current bank accounts, and short-term investments, with term to maturity of less than 90 days. Credit risk associated with cash and cash equivalents is minimized substantially by ensuring that these financial assets are invested with highly rated financial institutions.

*(ii) Accounts receivable*

Accounts receivable consist primarily of tenant receivables from rental leases. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the Company. This risk is mitigated through established credit management techniques, including monitoring counterparty's creditworthiness, obtaining references and taking security deposits.

In the year ended March 31, 2010, the maximum credit risk to which the Company is exposed represents the fair value of its accounts receivable.

*(b) Liquidity Risk*

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages exposure to liquidity risk by closely monitoring supplier and other liabilities, focusing on debtor collection, generating positive cash flows from operations and establishing and maintaining good relationships with various financial institutions.

*(c) Market Risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the fair value of recognized assets and liabilities or future cash flows of the Company's results of operations. The Company has minimal exposure to market risk.

*(i) Foreign exchange risk*

The Company's business transactions are normally conducted in Bermuda dollars and, as such, it has limited exposure to foreign exchange risk.

*(ii) Interest rate risk*

The Company is exposed to changes in interest rates, which may impact interest income on short-term investments.

BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to hold sufficient shareholder's equity to enable it to withstand negative unexpected financial events. The Company seeks to achieve this objective through generating net income. The Company maintains sufficient liquidity to meet its short-term obligations as they come due. The Company is not subject to any externally imposed capital requirements.

15. PRIOR PERIOD ADJUSTMENT

The Company has determined that the \$7,755,680 asset value previously reported as Land from 2004 to 2009 was carried in error and should be written off.

The amount written off represents the cost to remediate and demolish certain buildings on land that was originally leased to the Company that were found to contain asbestos and did not meet the Bermuda Building code.

The net impact of the adjustment and change in estimate for amortization of deferred capital contributions on the previously reported March 31, 2009 financial statements is as follows:

	As previously stated March 31, 2009 \$	Adjustment \$	Restated March 31, 2009 \$
Capital assets	39,283,129	(7,755,680)	31,527,449
Deferred capital contributions	(28,525,549)	7,755,680	(20,769,869)

16. FUTURE ACCOUNTING POLICY CHANGE

Effective for fiscal years beginning on or after January 1, 2011, Other Government Organizations will be permitted to choose to prepare their financial statements in accordance with Public Sector Accounting Standards or International Financial Reporting Standards. The Company has decided to adopt the Public Sector Accounting Standards and is currently assessing the impact of the change in accounting standards on its financial statements for the year ending March 31, 2012.



BERMUDA LAND DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

17. SUBSEQUENT EVENTS (continued)

*(c) Government land lease extension*

The Act was amended with effect from December 14, 2010 to extend the lease period from the Government to 262 years. The lease is effective from the Company's date of incorporation on November 12, 1996 and includes the four properties known as the Southside, St. David's (formerly the US Naval Air Station, excluding the airport), the Naval Annex in Southampton, Daniel's Head in Sandys and the Operating Base at Tudor Hill in Southampton including all buildings as described in detail in the schedule which forms part of the lease. The rent for the whole period is \$131 and has been paid.

*(d) Ministerial Changes*

Effective April 1, 2011, the Minister of Environment, Planning and Infrastructure Strategy replaced the Minister of Public Works (formerly the Minister of Works & Engineering) as a shareholder of the Company.

*(e) Related party transactions*

The Chairman and Deputy Chairman of the Board were paid \$107,760 for their consultancy services provided during the period from February 19, 2010 to September 30, 2010.

A related party was paid \$58,122 for repairs and maintenance services provided to the Company.

*(f) Notice of discontinuance*

The Company signed a notice of discontinuance on court proceedings against the Bermuda Credit Association Limited (the "BCA") on November 28, 2011. An amount of \$35,000 was paid by the Company to the BCA as an out of court settlement.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform to current year's presentation.