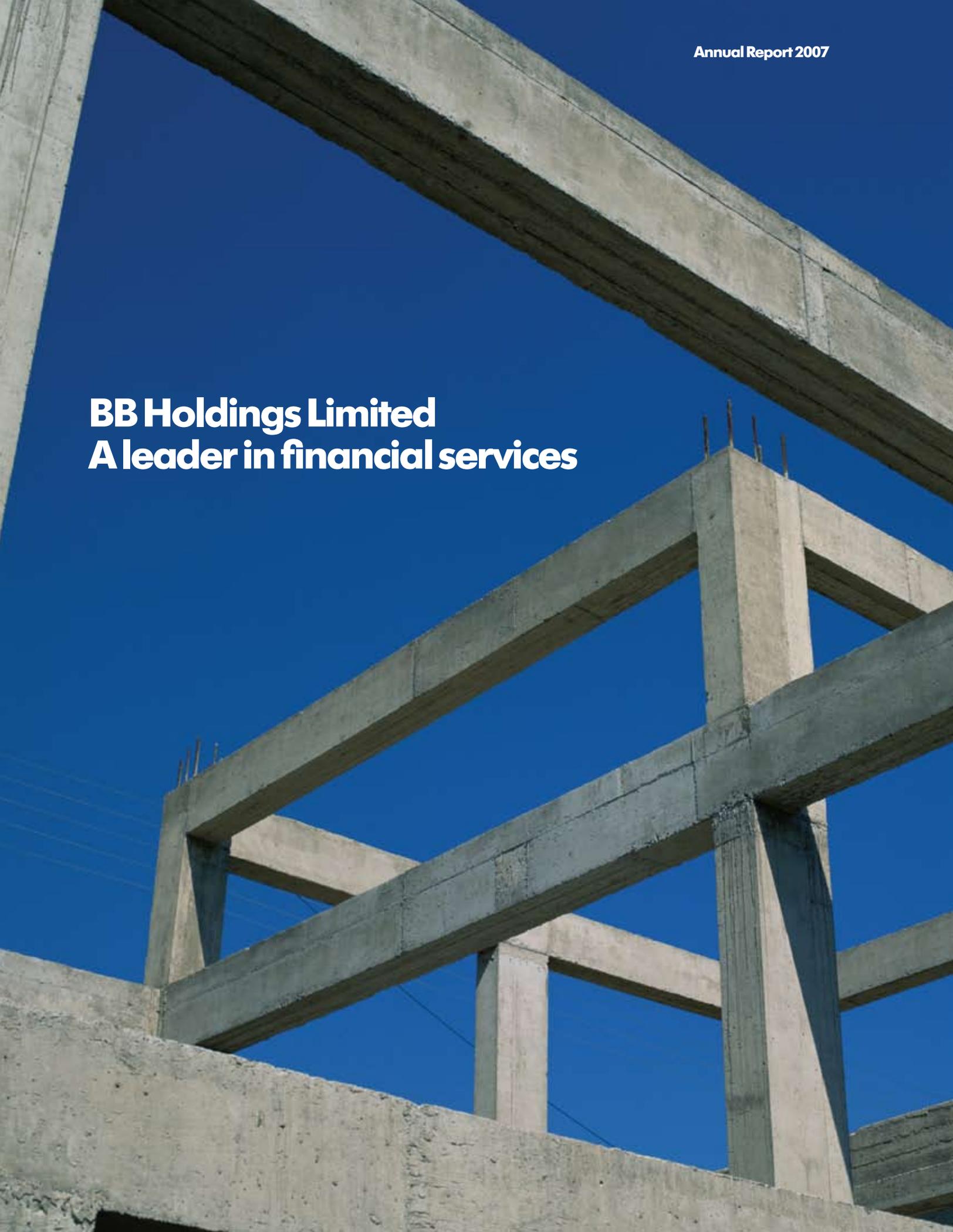


BB Holdings Limited
A leader in financial services



Corporate profile Through its Financial Services division, BB Holdings Limited ("BB Holdings") provides a range of banking and financial services in Belize and the Turks and Caicos Islands ("TCI") and to international customers worldwide.

BB Holdings' principal subsidiaries comprise The Belize Bank Limited ("Belize Bank"), which operates in Belize, Belize Bank International Limited ("Belize Bank International") located in Belize which serves international customers and The Belize Bank (Turks and Caicos) Limited ("Belize Bank TCI") which operates in the Turks and Caicos Islands and serves both domestic and international customers.

Belize Bank is the largest full service commercial and retail banking operation in Belize and a significant provider of commercial financial services in TCI where we are investing \$50 million new capital to assist in funding the rapid pace of business development taking place.

Through its 24 percent ownership in Numar, BB Holdings has an interest in a successful and market-leading edible oil processing and distribution operation in Costa Rica.

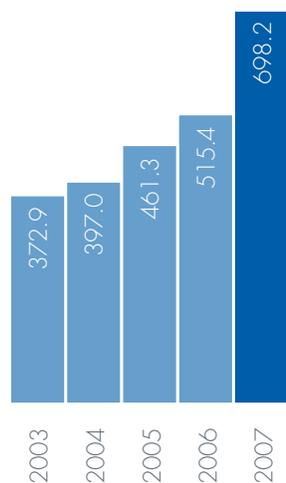
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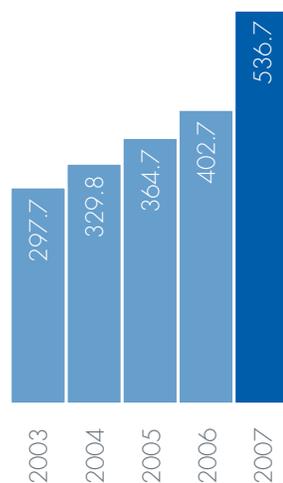
BB Holdings Limited is the parent company of a successful group of financial services businesses operating in Belize and the Turks and Caicos Islands. We are dedicated to providing the highest level of personalized service to our customers in order to offer the most competitive and effective financial solutions for all of their banking and financial needs.

Performance highlights

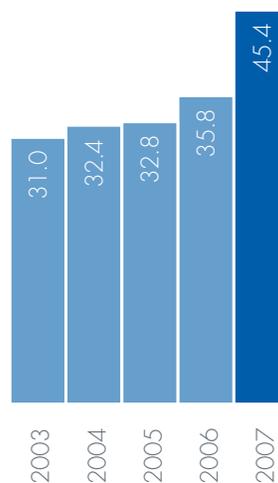
Total Financial Services assets (\$m)



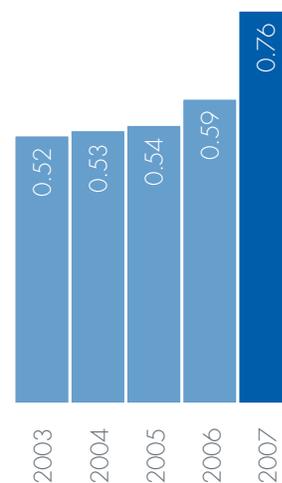
Total Financial Services liabilities (\$m)



Income from continuing operations (\$m)



Diluted earnings per share from continuing operations (\$)



Chairman's letter



We are encouraged by the continuing momentum of Belize Bank's business in the Turks and Caicos Islands where our business strategy is really paying dividends.

The past year has seen a significant expansion of our banking operations in TCI where demand for new lending has continued at a rapid pace. Belize Bank in TCI has grown from a fledgling operation in the year 2000 to become one of the leading financial providers in the country with a loan portfolio of \$160 million. In Belize we continue to be the leading financial institution providing first rate, reliable financial services to nearly half of the commercial and retail banking market of the country.

In April this year BB Holdings raised \$50 million to fund business growth in TCI through a placement of loan notes and warrants to subscribe for ordinary shares of BB Holdings. The \$50 million proceeds are being injected as capital into Belize Bank TCI creating one of the highest capitalized banks in TCI. We are actively pursuing a strategy to increase BB Holdings US dollar earnings in the Caribbean region, in particular in TCI, where there are significant opportunities for growth in lending to the tourism and property development sectors.

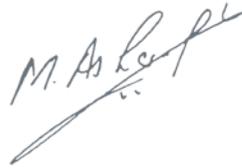
The Financial Services division has produced another year of excellent financial results. The division contributed operating income of \$39.4 million, \$10.8 million of which came from Belize Bank TCI. This represents an increase of 15.5 percent in financial services operating income over the previous year. The entire profits were re-invested in the business. The loan portfolio grew by \$121.9 million to \$508.5 million by March 2007. Total financial services assets are almost \$700 million, \$175 million of which are located in TCI.

We are dedicated to providing the highest level of personalized service to our customers in order to offer the most competitive financial solutions for all their banking and financial needs. Our goal is to be the banking and financial services provider of choice, building on our leading position by providing an increased range of financial products and services to individual and corporate customers. We continue to assess growth opportunities in other parts of the Caribbean and Central America.

Numar, the market leader in edible oils, margarine, industrial oils and animal feed in Costa Rica, provided an increased contribution for the fourth consecutive year. Its investment policy and efficient operating infrastructure together with stabilized world market prices for edible oils have all contributed to its success.

BB Holdings' priorities are to continue to expand the business, to increase the US dollar denominated earnings and to maximize shareholder value. The challenge for BB Holdings now is to use its strength in existing markets as a platform to expand into new areas of investment both in products and geographically.

We take great pride in our achievements and I would like to express my sincere thanks to the management and staff who have contributed to our success this year.

A handwritten signature in black ink, appearing to read 'M. Ashcroft', with a long, sweeping underline that extends to the right.

Lord Ashcroft, KCMG
Chairman

Chief Executive's report



The Belize Bank is now one of the largest banks in the Turks and Caicos Islands where our US dollar earnings are growing rapidly.

With the completion of another highly successful year and the injection of \$50 million in new funds, we are poised to build further on the strong foundations we have established in Belize and TCI.

We have a dedicated management team and a strong platform from which we are well positioned to pursue the continuing growth and development of the financial services business in both Belize and TCI.

Another year of growth In fiscal 2007, BB Holdings achieved an impressive 26.8 percent increase in net income from continuing operations to \$45.4 million. Diluted earnings per share amounted to 76 cents, 17 cents or 28.8 percent ahead of 2006, evidence of our competitive strength and a tribute to the talent and commitment of our staff.

BB Holdings' associate investment in Numar, operating in the palm oil business sector, also had a very successful year and contributed \$9.7 million to net income compared with \$7.4 million in 2006.

Financial Services The Financial Services division produced an excellent year of financial results with the retained earnings further strengthening its balance sheet. Operating income increased 15.5 percent to \$39.4 million from \$34.1 million in 2006. Net interest income increased by 14.6 percent to \$42.4 million from \$37.0 million in 2006, principally reflecting a 24.7 percent increase in the average loan portfolio. Non-interest income increased by \$2.0 million to \$14.3 million with improvements in all areas. Non-interest expense decreased to \$13.3 million from \$14.4 million. This gives an efficiency ratio of 25.2 percent, compared with 29 percent last year, excellent when compared to the industry benchmark of 60 percent.

With its stable earnings record and its balance sheet strength, Belize Bank is a pillar of strength in Belize and TCI. At March 31, 2007 the net assets of the Financial Services division amounted to \$161.5 million compared with \$112.7 million in 2006. Total assets amounted to \$698.2 million, up from \$515.4 million in 2006, funded principally by a \$129.3 million increase in deposits and by retained earnings.

Belize Bank is the oldest banking operation in Belize, with over 100 years of service, and provides both domestic and international banking services through separate banking licenses. We are building Belize Bank by offering our customers unmatched convenience and expertise, high quality service, innovation and a continually evolving variety of financial products and services. Belize Bank is the largest bank in Belize with an approximate 45 percent share of loans, substantially ahead of its nearest competitor. The Belizean banking industry is comprised of five domestic banks and seven international banks. Belize Bank has the largest branch network covering the entire country and continues to lead the way by innovation in an increasingly sophisticated and competitive banking environment.

Belize Bank International, located in Belize, was established to improve service quality to our international customers and offers a comprehensive range of financial service products.

Belize Bank TCI has produced consistent growth since its inception in 2000 and has become a significant commercial banking operation. It has key strategic importance to BB Holdings as it seeks to increase its US dollar denominated earnings. Belize Bank TCI contributed \$10.8 million to the operating income of the Financial Services division in 2007. Belize Bank TCI has a strong local management team operating in a thriving economy driven by new investment in the tourism and residential property sectors.

Banking operations Belize Bank has a sophisticated information technology infrastructure that provides superior processing capacity, delivery channels and customer service. This system facilitates the rapid introduction of new products and has been designed to be extremely resilient to external communication interruptions which we believe to be essential in hurricane risk areas.

Belize Bank has continued to consolidate its position as the largest provider of credit card merchant services and is the exclusive acquirer of American Express card transactions in Belize. We have deployed over one thousand point of sale terminals, which has increased our market share to over 60 percent.

In respect of our acquiring volumes, we have been able to accomplish our two-year targets in one year. For the security of our markets Belize Bank has developed an automated redundant telecommunications fail-over system – the only one of its kind in Belize.

In December of 2006, the Belize Bank Visa Debit Card was launched. With this new product, cardholders are able to access funds in their deposit accounts by using the card to pay for goods and services at stores, restaurants and at over one thousand business establishments across Belize. Later this year Belize Bank will launch its Belize Bank International Visa Debit Card which will be available to holders of US dollar deposit accounts and will be usable worldwide.

Strategic development In TCI, we are injecting \$50 million of new capital to facilitate an increase in the lending ability of the TCI operation. We are also focusing on growing our deposit base to take advantage of the excellent lending opportunities generated by the growth of TCI. We will continue to leverage Belize Bank's strong financial position, its banking systems and service quality to expand the business in Belize, TCI and internationally as opportunities arise.

Belize Bank International is strategically placed to better serve our international clients' deposit needs and to provide efficient lending in hard currency to the vibrant tourism industry in Belize.

Corporate governance BB Holdings is committed to the highest level of corporate governance.

The Belize Bank Board of Directors meets quarterly to receive reports from the Executive Committee of Belize Bank. The Executive Committee meets regularly to implement the strategy set by the Board of Belize Bank and operates through the following sub-committees: Audit Committee, Credit Committee, Finance Committee, Marketing Committee, Strategic Planning Committee and Technology Committee.

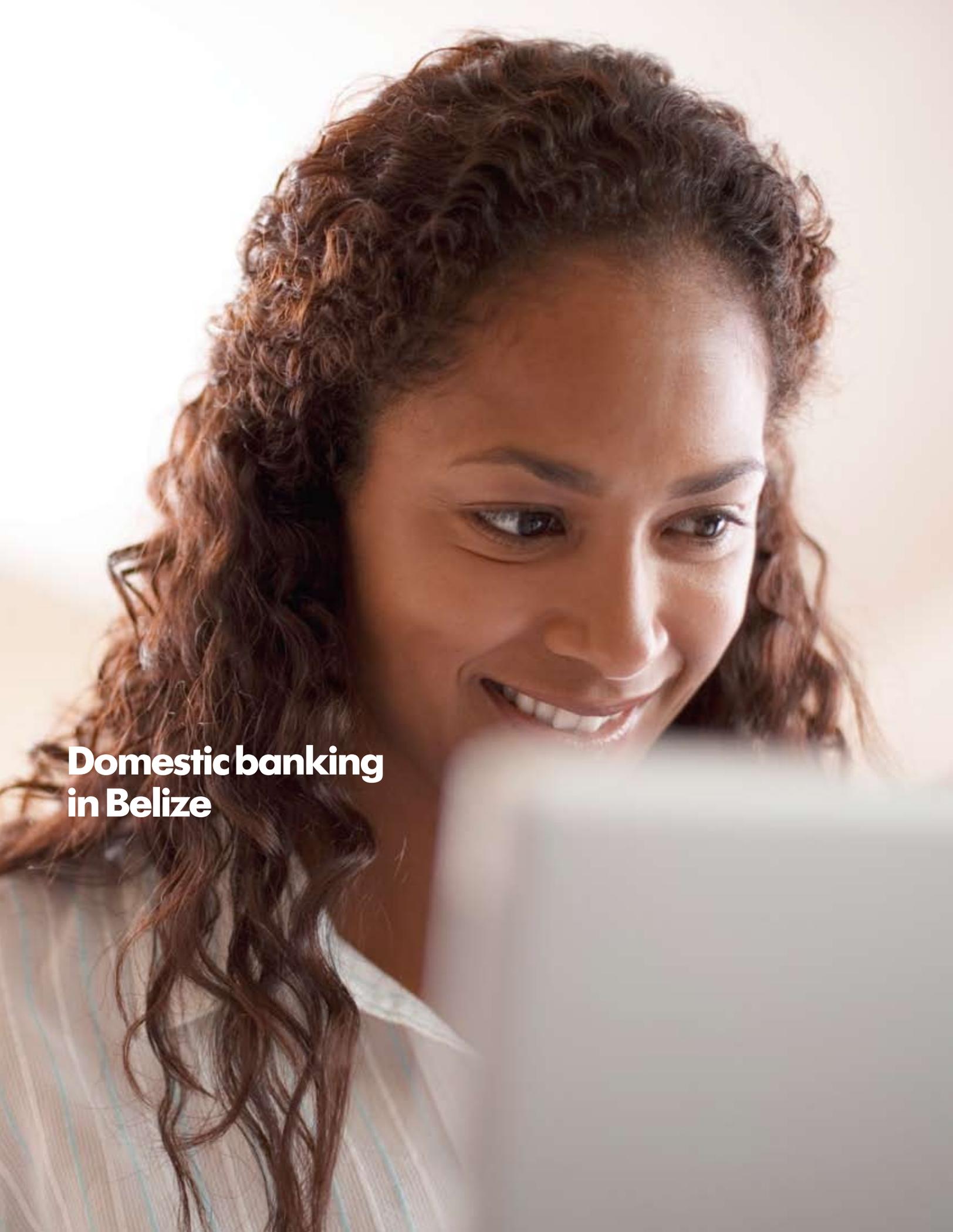
In addition, BB Holdings has its own Audit Committee and Executive Committee.

A look ahead In 2008 we will continue to seek opportunities to grow the US dollar earnings of BB Holdings and the \$50 million injection of new funds will provide the springboard for this to happen. The Belize economic environment is likely to continue to present challenges but BB Holdings is persevering with its growth strategy and its key role in the overall development of the country. The Belize Government is expected to continue its adjustment program to return to a sound fiscal position which has involved tightening of monetary policy and the resulting continued tight liquidity. Tourism investments and tourist arrivals are, nevertheless, expected to continue to grow. BB Holdings will continue to sharpen its competitive edge and further improve its customer service.

BB Holdings continuing success is dependent on its people. We are fortunate to have a strong management team and workforce that together possess the commitment and expertise to achieve BB Holdings' excellent results. I express my gratitude to my staff for producing another excellent performance. On behalf of the entire management team and employees I thank our customers for the continuing opportunity to serve their financial needs.



Philip Johnson
Chief Executive Officer



**Domestic banking
in Belize**

Banking in Belize Belize Bank is the largest financial institution in Belize and provides full service banking to both domestic and international customers. Its domestic banking business, which is operated through Belize Bank under a domestic banking licence, provides comprehensive commercial and consumer banking services to the entire country of Belize. Through its wholly owned subsidiary Belize Bank International, and under a separate international banking license, Belize Bank provides a range of products and services to meet the needs of international customers.

Belize is situated on the Caribbean coast of Central America bordered by Mexico to the north, Guatemala to the west and south, and by the Caribbean sea to the east. It is under two hours from the USA and is served by five international airlines. Belize is a peaceful, stable democracy with a political system based on the British Westminster model with Queen Elizabeth II as Head of State. Belize's legal system is based on the English Common Law with the Privy Council serving as the final court of appeal. A combination of excellent communications and modern financial services legislation provides an attractive investment environment. Its currency, the Belize dollar, has been pegged to the US dollar at a fixed exchange rate of 2:1 for over 25 years.

Domestic banking in Belize Belize Bank's domestic business represents the largest banking operation in Belize. Belize Bank serves both individual and corporate customers with full-service banking at its thirteen branches located in every major town and city throughout the country. Belize Bank has by far the largest market share in Belize. At December 31, 2006, Belize Bank had a 45 percent share of loans and a 38 percent share of deposits.

Belize Bank is the largest and most successful bank in Belize and provides full service banking to both domestic and international customers.



**Domestic banking
in Belize**

**Sophisticated processes and
consistent service standards
across its nationwide network
have helped Belize Bank
to another successful year.**



In an increasingly competitive banking environment consisting of five domestic banks, Belize Bank's nationwide network of branches and ATMs provides the country's most comprehensive distribution channel for financial services. Beyond these geographic advantages, Belize Bank's customers enjoy the speed and convenience of online banking and electronic bill pay services. This extensive and expanding range of products and services is strengthening Belize Bank's role as the leading financial services provider.

During 2007, the Belize based operations enjoyed another strong year, driven in part by continued investment of Belize Bank's profits in expanding the size of the loan portfolio. Belize Bank continued to provide high quality professional services to satisfy the needs of its local, private and corporate customers as a result of which its operations thrived in a fast-paced, changing market.

Deposit accounts Belize Bank's local deposit accounts help customers manage their finances and provide easy access to funds with debit cards usable at the largest ATM and merchant point-of-sale network in the country. Belize Bank current accounts (equivalent to checking accounts in the US) offer a low or no minimum balance requirement and Belize Bank savings accounts currently yield up to 6 percent interest. Term deposits at very competitive rates guarantee customers an attractive rate of return.

Lending facilities Belize Bank has a long history of providing credit facilities to help businesses start to grow and assisting domestic financing. Credit controls ensure that the loan portfolio growth is balanced with sound loan quality. Approximately half of Belize Bank's portfolio consists of corporate loans supporting the agriculture, tourism, mariculture and distribution industries. The balance of the portfolio is extended to residential mortgages and consumer loans. The loan portfolio recorded another year of consistent growth.

Credit & debit cards Belize Bank's VISA Gold Card and MasterCard credit cards allow customers to make purchases and access funds worldwide. The VISA Gold Card also offers free travel accident insurance, free auto rental insurance and an array of emergency travel assistance services. A VISA Debit Card gives customers direct access to their current accounts and is a fast, safe and efficient way to withdraw cash at ATMs and pay for purchases at traditional merchants or online.

Merchant accounts Belize Bank Merchant Accounts provide Belizean based businesses with VISA, MasterCard and American Express (exclusive acquirer in Belize) electronic processing capability. The Merchant Accounts feature competitive discount rates, next day credits, convenient reconciliation through our online banking service and an effective support system. In direct response to the desires of its commercial customers, Belize Bank also offers Internet Merchant Accounts ("IMAs"), using Verisign's Internet payment gateway to enable the processing of credit card transactions via the Internet. As a further enhancement to IMAs, Belize Bank has also established an online travel reservation service (www.belizeportal.com) allowing tourism related businesses to sell their services internationally over the Internet.

Online banking During 2007, Belize Bank focused on expanding its online offerings and upgrading its online banking platform, Belize Bank Online. Customer convenience and ease of use established Belize Bank's leadership in online banking this year. With Belize Bank Online, customers can view and download in real time all their account details, transfer funds, and pay their bills online. In addition, Commercial Online Banking customers can reconcile their credit card transactions and process their payrolls by making direct payments to their employees. Belize Bank's 24-hour Secure Online Messaging System allows customers to correspond with Belize Bank personnel through a secure channel. The services of Belize Bank Online are also available to customers of Belize Bank International and Belize Bank TCI.

A close-up photograph of a man with dark hair, looking down at a document. The image is slightly blurred, focusing on the man's face and the text overlay. The background is out of focus, showing what appears to be an office or meeting environment.

**International banking
in Belize**

International banking in Belize In its second year of operation, Belize Bank International provides the highest level of service to international customers. Belize Bank International provides excellent value to both individuals and businesses with competitive deposit and lending rates, low corporate setup costs, access to a wide range of investment products with excellent yields, easier trading across international borders and tax-free interest. Belize Bank International has solid correspondent banking relationships with a number of leading international banks, including Bank of America, Lloyds TSB and Wachovia.

Belize Bank International is committed to providing customers with operational excellence to satisfy their global banking needs. International banking specialists ensure that customers receive an efficient, high quality service. Belize Bank Online has also proven to be a valuable service to the international customer, allowing real time personal banking, transfers between accounts at Belize Bank International and correspondence with international banking specialists through a 24-hour Secure Online Messaging System.

As an expansion of Belize Bank's former international unit, Belize Bank International continues to demonstrate financial strength and stability in Belize. Belize Bank International remains committed to expanding its range of products and services to meet the sophisticated needs of international customers.

Belize Bank International remains committed to expanding its range of products and services to meet the needs of its international customers.

Deposit accounts International deposit accounts enable international customers to manage their finances wherever they are in the world and provide an efficient way to send money to any jurisdiction. These accounts are tax-free and not subject to currency controls. Accounts are available to both personal and corporate customers in US dollars, Canadian dollars, UK pounds and euros. Current accounts are designed to provide customers with immediate access to their funds either by wire transfer or banker's draft. Belize Bank International also offers tax-free, hard currency term deposits with highly attractive and competitive interest rates and various terms of maturity.

Lending facilities Belize Bank International provides various types of lending options to facilitate the best possible financial package for international customers. International lending is tailored with flexible payment terms to meet budgetary needs and goals. Credit facilities include overdrafts, lines of credit and secured mortgage loans for personal, residential or commercial purposes. Belize Bank International also offers standby and documentary letters of credit. The majority of Belize Bank International's loan portfolio supports residential properties and tourism developments. Strict credit controls ensure that the portfolio is balanced with sound loan quality.

Credit & debit cards Belize Bank International's VISA Gold Card and MasterCard credit cards allow customers to make purchases and access funds worldwide. A VISA Debit Card which will give customers direct access to their current accounts worldwide will be introduced in the near future.

Merchant accounts Specifically designed for customers with an e-business, Belize Bank International's VISA and MasterCard merchant acquiring services enable merchants to accept credit and debit cards online, in real time, as a means of payment. Belize Bank International offers IMAs using VeriSign's Internet payment gateway to enable the processing of credit card transactions via the Internet. IMAs are offered at highly competitive rates.

Stock trading Belize Bank International offers customers access to a large number of stocks, mutual funds, options and other securities through its brokerage service partner in the US. Customers may trade online or, as a more personalized service, they may place their trading order with an account manager via fax or e-mail. In addition, the service includes monitoring and collecting all dividends and interest payments, disposing of all income collected in accordance with customers' instructions and informing customers of new investment opportunities.

Online banking The services of Belize Bank Online as set out in the Domestic Banking section are also available to customers of Belize Bank International.

Belize corporate services Through subsidiary and affiliate companies, including Belize Corporate Services Limited, Belize Bank International offers Belize International Business Company ("Belize IBC") formation and maintenance services along with complementary administrative and ancillary services. A Belize IBC is a legal entity similar to the US based corporation or limited liability company and enjoys total exemption from all forms of taxation in Belize. For international customers, the Belize IBC is a flexible, tax efficient medium suitable for a wide range of trading, investment and asset protection solutions. Belize Corporate Services Limited is by far the largest corporate services provider in Belize with a global network of professional intermediary and private customers. As of June 2007, Belize Corporate Services Limited has over seventeen thousand companies under management.

**International banking
in Belize**

**International banking specialists
ensure that customers receive high
quality and reliable services.**



**Banking in the Turks
and Caicos Islands**



Banking in the Turks and Caicos Islands

Belize Bank TCI is one of the largest financial institutions in TCI where it provides banking services to domestic and international customers under a single license.

In fiscal 2007, its eighth year of operation, Belize Bank TCI achieved another record performance with a 56 percent increase in profits to \$10.8 million, \$2.9 million of which occurred in the last quarter of the year, a reflection of the level at which Belize Bank TCI is currently performing. In the past year Management has continued to focus significant effort in TCI where the economy continues to be fueled by strong growth in the tourist and residential property sectors. The loan portfolio stood at \$160 million at March 31, 2007 and is poised to grow further as new capital is injected into Belize Bank TCI in the first quarter of fiscal 2008.

In June 2007, \$50 million of new capital is being invested by BB Holdings in the share capital of Belize Bank TCI for immediate investment in new lending business. This investment demonstrates the confidence BB Holdings has in the future of TCI and the operations based there. The injection of capital will raise Belize Bank TCI's equity to approximately \$90 million, which BB Holdings believes will represent one of the strongest balance sheets among the banks operating in TCI. The investment is a significant vote of confidence in the stability of TCI and its future as a premier destination in the Caribbean. Belize Bank TCI has recently completed one of the largest local led, syndicated loans in the history of TCI and is in advanced discussions on a further similar sized loan syndication.

This \$50 million is being invested principally in lending related to high end property developments and the related infrastructure requirements.

Belize Bank TCI recently arranged one of the largest ever syndicated loans in the history of the Turks and Caicos Islands.



Belize Bank TCI offers attractive, high-yield term deposits. With its strong balance sheet Belize Bank TCI is encouraging the local business community to take advantage of the deposit arrangements in order to promote further investment and the continuation of the successful economic expansion in TCI.

TCI has one of the fastest growing economies in the Caribbean where there is increasing customer demand for innovative and flexible financing solutions.

Belize Bank TCI has enhanced its customers' experience by delivering value-added products and solutions through banking specialists and the support of the systems and services provided by Belize Bank. This dedication to quality service and innovative products has made Belize Bank TCI into the fastest growing bank in TCI.

In addition to the injection of \$50 million, the profits of Belize Bank TCI have been retained to support organic growth in all areas of its business. Belize Bank TCI will continue to remain responsive to customers' needs and participation in new opportunities as they become available in TCI.

Turks and Caicos Islands TCI is situated in the British West Indies, 70 minutes or 575 miles south east of Miami and is comprised of eight main islands and numerous small cayes, which together total about 166 square miles. The country's growth is primarily driven by tourism and related real estate development, which benefit from its remarkable beaches and convenient proximity to the US. TCI combines the stability of a British Overseas Territory with the acceptance of the US dollar as the local currency and a well-defined regulatory framework. TCI also has a fiscal structure with no tax on income (either personal, corporate or capital gains), and no exchange control.

Deposit accounts Belize Bank TCI offers deposit accounts principally in US dollars. Belize Bank TCI's accounts are well suited for international customers who have immediate access to their funds either by wire transfer (in any currency) or banker's draft. Term deposits of various maturities are available at attractive rates of interest and are paid tax-free.

Lending facilities Belize Bank TCI is a leading provider of customized lending products. Belize Bank TCI provides tailored lending facilities for tourism related development financing and residential mortgages throughout TCI. Belize Bank TCI works to ensure customers receive the most comprehensive financial packages to best match their requirements with flexible loan terms and highly competitive rates. Belize Bank TCI's loan specialists ensure a speedy response to the borrowing needs of customers through a one-to-one relationship-driven approach.

Credit cards Belize Bank TCI's VISA Gold Card enables international customers to make purchases worldwide. Customers can also obtain cash with their credit card from any ATM displaying the "VISA" or "Plus" logos. The VISA Gold Card offers free travel accident insurance, free auto rental insurance and an array of emergency travel assistance services for additional convenience and security. Interest charges are competitive with those on international markets.

Online banking The services of Belize Bank Online as described in the Domestic Banking section are also available to customers in TCI.

Numar Numar's strengths include a dominant market share in all key products, an extensive distribution network, a low cost production base, high barriers to entry and its world-class seed and cloning development technology.

Numar, based in Costa Rica, has been in operation for over 50 years and owns edible oil processing and distribution operations and palm seed plantations in Central America where the company is a market leader in edible oils, margarine, industrial oils and animal feed.

Numar's operations include vertically integrated operations beginning with palm oil seeds and clones, plantations, extraction, refining, and selling and distribution of consumer branded products, including vegetable oils and margarine and other products such as coffee. Commodity type products such as crude palm oil are traded primarily in Mexico through international based pricing and finished consumer products are traded primarily in Costa Rica and Nicaragua.

Numar's agricultural locations enjoy near optimal climate conditions and production yields are comparable to Malaysia which is one of the most efficient producers in the world. In order to develop a lower cost palm oil supply source, Numar has over the last five years invested in significant new plantation development in accessible, cost efficient locations in Mexico and Nicaragua, the latter having a cost structure similar to Indonesia which is the world's lowest cost producer.

Numar now controls over 65,000 acres of oil palm plantations spread across south east Costa Rica, Mexico and Nicaragua. Numar's strategy of geographic expansion has served to maintain its presence and control in Central America and its position ahead of the competition.

The combination of Numar's high oil yield plantations and cost efficient extraction plants makes the crude palm oil it produces very competitive worldwide compared with other vegetable oils. Numar's performance has benefited from this expanded production and gradual stabilization in world palm oil prices over the last few years. In 2007, it expects to have in production a biodiesel facility and thus diversify some of its crude palm oil sales into export sales of biodiesel.

Numar also has a highly active seed research and production program. The seed produced by Numar under its ASD brand is of world-class quality in yield and disease resistance. Numar sells oil palm seed internationally, including to Indonesia which is the largest world producer of palm oil.

Numar's strengths include a dominant market share in all key products, an extensive distribution network, a low cost production base, high barriers to entry and its world-class seed and cloning development technology.

Reports of independent auditors

To the Board of Directors and Shareholders of BB Holdings Limited

We have audited the accompanying consolidated balance sheets of BB Holdings Limited and its subsidiaries as of March 31, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits of these consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BB Holdings Limited and its subsidiaries as of March 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



Horwath Belize
Belize City, Belize
Central America
June 6, 2007

Consolidated statements of income

Year ended March 31	Notes	2007 \$m	2006 \$m
Financial Services			
Interest income		63.9	52.6
Interest expense		(21.5)	(15.6)
Net interest income		42.4	37.0
Provision for loan losses	8	(4.0)	(0.8)
Net non-interest income (expense)	4	1.0	(2.1)
Operating income – Financial Services		39.4	34.1
Corporate expenses		(4.3)	(6.0)
Total operating income		35.1	28.1
Associates	11	9.7	7.4
Interest income		0.6	0.3
Income from continuing operations		45.4	35.8
Income from discontinued operations	5	–	5.5
Net income		45.4	41.3
Basic and diluted earnings per ordinary share			
Continuing operations	6	\$ 0.76	\$ 0.59
Discontinued operations		–	\$ 0.09
Net income		\$ 0.76	\$ 0.68

See accompanying notes which are an integral part of these consolidated financial statements

Consolidated balance sheets

At March 31	Notes	2007 \$m	2006 \$m
Assets			
Financial Services			
Cash, cash equivalents and due from banks	7	41.2	30.6
Interest-bearing deposits with correspondent banks		94.0	53.6
Loans – net	8	508.5	386.6
Property, plant and equipment – net	9	14.8	11.6
Other assets	10	39.7	33.0
Total Financial Services assets		698.2	515.4
Cash and cash equivalents		5.2	18.6
Other current assets		0.6	0.4
Property, plant and equipment – net		0.1	0.2
Associates	11	63.6	57.3
Total assets		767.7	591.9
Liabilities and shareholders' equity			
Financial Services			
Deposits	12	504.8	375.5
Short-term debt		6.0	–
Long-term debt	13	12.5	15.0
Interest payable		7.1	4.8
Other liabilities		6.3	7.4
Total Financial Services liabilities		536.7	402.7
Current liabilities		1.8	2.0
Long-term liabilities		1.2	1.2
Total liabilities		539.7	405.9
Shareholders' equity			
Share capital (ordinary shares of no par value – 2007 – 62,554,040; 2006 – 62,554,040)	15	0.6	0.6
Treasury shares	15	(21.5)	(18.1)
Retained earnings		248.9	203.5
Total shareholders' equity		228.0	186.0
Total liabilities and shareholders' equity		767.7	591.9

See accompanying notes which are an integral part of these consolidated financial statements

Consolidated statements of changes in shareholders' equity

	Share capital \$m	Additional paid-in capital \$m	Treasury shares \$m	Retained earnings \$m	Cumulative other comprehensive income (loss) \$m	Total \$m
At March 31, 2005	0.6	313.1	(19.0)	258.4	22.3	575.4
Net income	–	–	–	41.3	–	41.3
Dividends	–	–	–	(12.0)	–	(12.0)
Disposal of treasury shares	–	–	0.9	–	–	0.9
Demerger of UK and Ireland businesses (note 1)	–	(216.6)	–	–	(29.2)	(245.8)
Demerger of US Facilities Services businesses (note 1)	–	(96.5)	–	(84.2)	6.9	(173.8)
At March 31, 2006	0.6	–	(18.1)	203.5	–	186.0
Net income	–	–	–	45.4	–	45.4
Purchase of treasury shares	–	–	(3.4)	–	–	(3.4)
At March 31, 2007	0.6	–	(21.5)	248.9	–	228.0

At March 31, 2007, retained earnings included non-distributable statutory reserves in The Belize Bank Limited and a subsidiary of \$5.2 million (2006 – \$5.2 million).

In May 2005, BB Holdings Limited ("BBHL") announced a dividend which was satisfied by the transfer of its entire shareholding in two wholly owned subsidiaries, Seashell II Limited ('Seashell II'), and Bombshell Limited ('Bombshell') to BBHL's non-United States shareholders. Both Seashell II and Bombshell are companies incorporated in Belize. Seashell II and Bombshell at that time each had a net asset value of approximately £3.2 million, principally comprising cash and cash equivalents. The dividend amounted to 1.0704 ordinary shares in Seashell II and 1.0704 ordinary shares in Bombshell for each 10 BBHL ordinary shares held. BBHL's United States shareholders received cash of \$1.9966 for each 10 BBHL ordinary shares held, being the US dollar equivalent of the £1.07 UK sterling value of the shares in Seashell II and Bombshell to which they would otherwise have been entitled. At the time, Seashell II's and Bombshell's shares were admitted to trading on the Alternative Investment Market of the London Stock Exchange in the United Kingdom, and Seashell II's and Bombshell's primary stated objective was, in each case, to invest in either a publicly traded or private company which they can, by influencing the management and strategic direction of those companies, create value for Seashell II and Bombshell shareholders, respectively. The total value of the BBHL dividends amounted to \$12.0 million.

See accompanying notes which are an integral part of these consolidated financial statements

Consolidated statements of cash flows

Year ended March 31	2007 \$m	2006 \$m
Cash flows from operating activities		
Net income	45.4	41.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1.2	7.1
Gain on disposal of property, plant and equipment	–	(3.8)
Discount amortization on insurance reserves	–	3.2
Provision for loan losses	4.0	0.8
Undistributed earnings of associates	(6.3)	(4.5)
Refinancing costs amortization	–	0.5
Minority interests net of distributions	–	1.6
Other	–	(0.4)
Changes in assets and liabilities:		
(Increase) in accounts receivable	(0.1)	(17.3)
(Increase) in other assets	(15.2)	(10.6)
Increase in other liabilities	1.0	2.3
Net cash provided by operating activities	30.0	20.2
Cash flows from investing activities		
Purchase of property, plant and equipment	(4.4)	(7.0)
Disposal of property, plant and equipment	–	9.8
Disposal of discontinued operations	–	(4.7)
(Increase) decrease in interest-bearing deposits with correspondent banks	(40.4)	2.2
Decrease in Government securities	8.5	8.0
(Increase) in loans to customers	(125.9)	(49.4)
Net cash (utilized) by investing activities	(162.2)	(41.1)
Cash flows from financing activities		
Repayment of long-term debt	(2.5)	–
Increase (decrease) in short-term debt	6.0	(1.4)
Decrease in restricted cash deposits	–	2.2
Increase in deposits	129.3	34.1
Net (purchase) sale of treasury shares	(3.4)	0.9
Dividends	–	(12.0)
Net cash provided by financing activities	129.4	23.8
Currency translation adjustments	–	(0.5)
Net change in cash, cash equivalents and due from banks	(2.8)	2.4
Cash, cash equivalents and due from banks at beginning of year	49.2	46.8
Cash, cash equivalents and due from banks at end of year	46.4	49.2
Cash – financial services	41.2	30.6
Cash – corporate	5.2	18.6
	46.4	49.2

See accompanying notes which are an integral part of these consolidated financial statements

Consolidated statements of cash flows continued

Year ended March 31	2007 \$m	2006 \$m
Supplemental cash flow information:		
Cash paid for interest	–	4.4
Cash paid for income taxes	–	0.2
In connection with the disposal of discontinued operations net assets were disposed of as follows:		
Dividends	–	419.6
Net assets disposed (including goodwill)	–	419.6

In connection with the separate demergers of BBHL's UK and Ireland businesses and BBHL's US Facilities Services businesses (note 1), net assets amounting in aggregate to \$419.6 million were disposed of during the year ended March 31, 2006, including cash of \$4.7 million.

See accompanying notes which are an integral part of these consolidated financial statements

Notes to the consolidated financial statements

Note 1 – Description of business

Introduction

BBHL is a company incorporated in Belize. BBHL is a holding company with no independent business operations or assets other than its investment in its subsidiaries, associates, intercompany balances and holdings of cash and cash equivalents. BBHL's businesses are conducted through its subsidiaries.

In August 2005, BBHL announced a reorganization of its group which was effected by the demerger of its wholly owned subsidiary Carlisle Group Limited ("CGL"). CGL, a company incorporated in Belize, was specifically formed to become the holding company for the UK and Ireland businesses that were to be demerged from BBHL. The UK and Ireland businesses of BBHL principally comprised its UK Staffing Services business and its UK based Facilities Services business. At the same time, BBHL also announced a change of name from Carlisle Holdings Limited to BB Holdings Limited.

Under the terms of the demerger agreement, BBHL agreed to transfer Isengard Holdings Limited, the then holding company of the UK and Ireland businesses, to CGL in exchange for the issue by CGL to BBHL of 24,066,650 ordinary shares in CGL. Also, pursuant to the demerger agreement, BBHL declared a dividend distribution, in favour of BBHL shareholders, of CGL shares on the basis of two CGL ordinary shares for every five BBHL ordinary shares held at the time. The dividend distribution was conditional on, amongst other things, the admission of the CGL ordinary shares to trading on the Alternative Investment Market of the London Stock Exchange which condition was satisfied on August 31, 2005. The dividend distribution amounted in aggregate to \$245.8 million being the net book value of the consolidated net assets of CGL at the date of the demerger.

In February 2006, BBHL announced a further reorganization of its group which was effected by the demerger of its wholly owned subsidiary OneSource Services Inc. ("OSI"). OSI, a company incorporated in Belize, was specifically formed to become the holding company for the US Facilities Services businesses that were to be demerged from BBHL. The US Facilities Services businesses of BBHL comprised the facilities services businesses owned by OneSource Holdings, Inc. ("OneSource").

Under the terms of the demerger agreement, BBHL agreed to transfer OneSource Holdings (Bermuda) Limited, the then holding company of OneSource to OSI in exchange for the issue by OSI to BBHL of 3,764,355 ordinary shares in OSI. Also, pursuant to the demerger agreement, BBHL declared a dividend distribution, in favour of BBHL shareholders, of OSI shares on the basis of one OSI ordinary share for every sixteen BBHL ordinary shares held at the time. The dividend distribution was conditional on, amongst other things, the admission of the OSI ordinary shares to trading on the Alternative Investment Market of the London Stock Exchange which condition was satisfied on February 24, 2006. The dividend distribution amounted in aggregate to \$173.8 million being the net book value of the consolidated net assets of OSI at the date of the demerger.

Financial services

The principle activity of BBHL and its subsidiaries (the "Group") is the provision of financial services in Belize and the Turks and Caicos Islands. Financial services are provided principally through The Belize Bank Limited (a company incorporated and operating in Belize) and its subsidiaries, as a full service commercial and retail banking operation.

Associates

The Group's equity investment comprises approximately 24.8 percent of Grupo Agroindustrial CB, S.A. and related companies ("Numar"), which have interests in agro-processing and distribution operations principally in Costa Rica.

Discontinued operations

As a result of the demerger of CGL and OSI described above, the results of the demerged UK and Ireland businesses (comprising the UK Staffing Services business and UK based Facilities Service business) and the demerged US Facilities Services businesses have been included as discontinued operations for all years up to the date of completion of the respective demergers (note 6). These operations comprised the entire Services businesses of the Group.

Note 2 – Summary of significant accounting policies

Basis of consolidated financial statements

The consolidated financial statements have been prepared in United States dollars in accordance with generally accepted accounting principles in the United States and as described below. The preparation of consolidated financial statements in accordance with generally accepted accounting principles in the United States requires management to make extensive use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These management estimates include, among others, an allowance for doubtful receivables, asset impairments, and useful lives for depreciation and amortization, loss contingencies, and allowance for loan losses. Actual results could differ materially from those estimates.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group. BBHL consolidates companies in which it owns or controls more than fifty percent of the voting shares. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the date of disposal. All significant intercompany balances and transactions have been eliminated in consolidation.

Loans and interest income recognition

Loans are stated at the principal amount outstanding, net of unearned income and allowance for loan losses. Interest income is recorded on an accrual basis. When either the collectability of principal or interest is considered doubtful, or payment of principal or interest is ninety days or more past due, loans are placed on non-accrual status and previously accrued but unpaid interest is charged against current year interest income.

Allowance for loan losses

The Group's consideration as to the adequacy of the allowance to provide for probable loan losses is based on a continuing review of the loan portfolio and includes, but is not limited to, consideration of the actual loan loss experience, the present and prospective condition of each borrower and its related industry, general economic conditions prevailing from time to time, and the estimated fair value of the related collateral. Loans are charged off against allowance for loan losses when the amounts are deemed to be uncollectible.

Notes to the consolidated financial statements

The Group measures its estimates of impaired loans in accordance with Statement of Financial Accounting Standards No. 114 – Accounting by Creditors for Impairment of a Loan, as amended by Statement of Financial Accounting Standards No. 118 – Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures. Under the Group's accounting policy for loan loss provisioning, the Group evaluates the probability of an impairment loss when a loan is classified as non-accrual. An impairment loss is recognized and fully provided for if the recorded amount of the non-accrual loan exceeds the estimated fair value of the underlying collateral less costs to sell. The majority of the Group's loan portfolio is fully collateralized. Interest income on impaired loans is recognized only when payments are received and the Group considers that the loan will remain performing.

Currency translation

The reporting and functional currency of the Group is United States dollars. The results of subsidiaries and associates, which account in a functional currency other than United States dollars, are translated into United States dollars at the average rate of exchange for the year. The assets and liabilities of subsidiaries and associates which account in a functional currency other than United States dollars are translated into United States dollars at the rate of exchange ruling at the balance sheet date. Currency translation adjustments arising from the use of differing exchange rates from period to period are included as other comprehensive income in shareholders' equity.

Gains and losses arising from currency transactions are included in the consolidated statements of income.

Associates

For investments in which the Group owns or controls more than twenty percent of the voting shares, and over which it exerts significant influence over operating and financial policies, the equity method of accounting is used in the consolidated financial statements. The investment in associates is shown in the consolidated balance sheets as the Group's proportion of the underlying net assets of these companies plus any goodwill attributable to the acquisitions less any write-off required for a permanent diminution in value. The consolidated statements of income include the Group's share of net income of associates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and highly liquid instruments, with an original maturity of three months or less. As a result of the short term maturity of these financial instruments, their carrying value is approximately equal to their fair market value.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided to write off the cost of the assets over their estimated useful lives, using the straight-line method, over the following periods:

Buildings	life of building, not exceeding 50 years
Leasehold improvements	term of lease
Motor vehicle	4 years
Fixtures, fittings and office equipment	3 to 10 years

The carrying value of property, plant and equipment is evaluated periodically in relation to the operating performance and future cash flows of the underlying businesses. Where, in the opinion of the Group, an impairment in the value of property, plant and equipment has occurred, the amount of the impairment is recorded in the consolidated statements of income.

Repairs and maintenance costs are expensed as incurred. Gains and losses arising on the disposal of property, plant and equipment are included in the consolidated statements of income.

Stock-based compensation

Stock-based employee compensation is accounted for under the fair value based method of accounting (note 15).

Note 3 – Segmental analysis

The Group is currently engaged in the provision of financial services principally in Belize and the Turks and Caicos Islands.

Year ended March 31	2007 \$m	2006 \$m
Depreciation		
Financial Services	1.0	0.9
Corporate	0.2	–
	1.2	0.9
Discontinued operations	–	6.2
	1.2	7.1

Year ended March 31	2007 \$m	2006 \$m
Capital expenditures		
Financial Services	4.3	1.4
Corporate	0.1	–
	4.4	1.4
Discontinued operations	–	5.6
	4.4	7.0

At March 31	2007 \$m	2006 \$m
Total assets		
Financial Services	698.2	515.4
Associates	63.6	57.3
Corporate	5.9	19.2
	767.7	591.9

Notes to the consolidated financial statements

Note 4 – Net non-interest expense

Year ended March 31	2007 \$m	2006 \$m
Non-interest income:		
Foreign exchange income and commissions	5.0	4.2
Customer service and letter of credit fees	2.6	2.3
Credit card fees	1.2	1.1
Other financial and related services	2.7	3.0
Other income	2.8	1.7
	14.3	12.3
Non-interest expense:		
Salaries and benefits	(7.1)	(6.1)
Premises and equipment	(2.4)	(2.2)
Other expenses	(3.8)	(6.1)
	(13.3)	(14.4)
Net non-interest expense	1.0	(2.1)

Note 5 – Discontinued operations

In August 2005, BBHL completed the demerger of its wholly owned subsidiary CGL and in February 2006, BBHL completed the demerger of its wholly owned subsidiary OSI (note 1). The Group's share of CGL's and OSI's net income up to the date of demerger has been included in income from discontinued operations for the year ended March 31, 2006. The demergers of CGL and OSI were effected at the net book values of the consolidated net assets demerged and therefore there is no gain or loss arising on either demerger.

Financial information for the demerged UK and Ireland businesses was as follows:

Year ended March 31	2007 \$m	2006 \$m
Net sales	–	260.9
Operating income	–	2.3
Net income	–	2.3

Financial information for the demerged US Facilities Services businesses was as follows:

Year ended March 31	2007 \$m	2006 \$m
Net sales	–	745.2
Operating income	–	7.8
Income taxes	–	(0.6)
Minority interest	–	(2.4)
Net income	–	3.2

Note 6 – Earnings per ordinary share

Year ended March 31	2007 \$m	2006 \$m
Basic and diluted earnings per ordinary share:		
Income from continuing operations	45.4	35.8
Income from discontinued operations	–	5.5
Net income	45.4	41.3
Year ended March 31		
	2007	2006
Weighted average number of ordinary shares:		
Basic earnings per ordinary share	59,571,096	60,171,774
Share options (note 15)	–	541,425
Diluted earnings per ordinary share	59,571,096	60,713,199

During the year ended March 31, 2007 the weighted average effect of share options and warrants has been excluded from the calculation of diluted earnings per ordinary share, since they were anti-dilutive under the treasury method of earnings per share calculation.

Note 7 – Cash, cash equivalents and due from banks

At March 31	2007 \$m	2006 \$m
Cash in hand	6.6	5.2
Balances with Central Bank of Belize	28.0	17.5
Amounts in the course of collection	6.6	7.9
	41.2	30.6

The Belize Bank Limited is required to maintain an average minimum non-interest bearing deposit balance with the Central Bank of Belize equal to 10 percent of the average deposit liabilities of the Bank. At March 31, 2007, the actual amount was 11.1 percent. In addition, the Bank must maintain an average aggregate of approved liquid assets (which include the average minimum non-interest bearing deposit balance maintained with the Central Bank of Belize) equal to 23 percent of the average deposit liabilities of the Bank. At March 31, 2007, the actual amount was 26.5 percent.

Notes to the consolidated financial statements

Note 8 – Loans – net

At March 31	2007 \$m	2006 \$m
Loans (net of unearned income):		
Commercial, financial and agricultural	279.0	220.3
Real estate – mortgage	156.3	119.7
Real estate – construction	46.3	16.6
Consumer	35.9	35.6
	517.5	392.2
Allowance for loan losses:		
Commercial, financial and agricultural	(4.9)	(2.9)
Real estate – mortgage	(2.2)	(1.4)
Real estate – construction	(0.6)	(0.1)
Consumer	(1.3)	(1.2)
	(9.0)	(5.6)
Loans (net of unearned income and allowance for loan losses):		
Commercial, financial and agricultural	274.1	217.4
Real estate – mortgage	154.1	118.3
Real estate – construction	45.7	16.5
Consumer	34.6	34.4
Loans (net of unearned income and allowance for loan losses)	508.5	386.6

Unearned income at March 31, 2007 amounted to \$3.5 million (2006 – \$3.7 million).

The maturity ranges of loans outstanding at March 31, 2007 are shown in the table below. All loans, other than consumer loans, are legally repayable on demand; however, they are disclosed below as if they run to their full maturity.

	Due in one year or less \$m	Due after one year through five years \$m	Due after five years \$m	Total \$m
Commercial, financial and agricultural	83.4	43.7	151.9	279.0
Real estate – mortgage	31.7	39.5	85.1	156.3
Real estate – construction	31.3	11.3	3.7	46.3
Consumer	13.4	11.8	10.7	35.9
	159.8	106.3	251.4	517.5

Non-accrual loans at March 31, 2007 amounted to \$23.4 million (2006 – \$13.7 million). The interest income which would have been recorded during the year ended March 31, 2007 had all non-accrual loans been current in accordance with their terms was approximately \$2.9 million (2006 – \$1.9 million).

The Group measures its estimates of impaired loans in accordance with Statement of Financial Accounting Standards No. 114 – Accounting by Creditors for Impairment of a Loan, as amended by Statement of Financial Accounting Standards No. 118 – Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures. Under the Group's accounting policy for loan loss provisioning, it evaluates the probability of an impairment loss when a loan is classified as non-accrual. An impairment loss is recognized and fully provided for if the recorded amount of the non-accrual loan exceeds the estimated fair value of the underlying collateral less costs to sell. The majority of the Group's loan portfolio is fully collateralized. Interest income on impaired loans is recognized only when payments are received and the Group considers that the loan will remain performing.

At March 31, 2007, the amount of impaired loans outstanding in which the Group considers that there was a probability of a loss totaled \$3.9 million (2006 – \$5.8 million), with related allowances, after taking into consideration related collateral, of \$2.3 million (2006 – \$1.8 million). There were no impaired loans without allowances. The average amount of loans outstanding in which the Group considers there was a probability of a loss during the year ended March 31, 2007 was \$5.3 million (2006 – 6.0 million). Interest is not recognized on any loan classified as non-accrual.

As a result of the nature of these financial instruments, the estimated fair market value of the loan portfolio is considered by the Group to approximate its carrying value.

At March 31, 2007, the Group had total loans outstanding to certain officers and employees of \$5.5 million (2006 – \$4.9 million) at preferential rates of interest varying between 4.0 percent and 9.9 percent per annum, repayable over varying periods not exceeding 25 years. At March 31, 2007, these loans included \$1.0 million (2006 – \$1.5 million) classified within commercial, financial and agricultural loans.

At March 31, 2007, the Group held 406,940 ordinary shares of BBHL as collateral for certain loans provided.

Changes in the allowance for loan losses were as follows:

Year ended March 31	2007 \$m	2006 \$m
At beginning of year	5.6	5.2
Provision charged to income	4.0	0.8
Charge-offs	(0.6)	(0.4)
	3.4	0.4
At end of year	9.0	5.6

Recoveries from loan losses have been immaterial to date.

Notes to the consolidated financial statements

Note 9 – Property, plant and equipment – net

At March 31	2007 \$m	2006 \$m
Cost:		
Land and buildings	13.2	9.8
Fixtures, fittings and office equipment	8.1	7.6
Total cost	21.3	17.4
Less: total accumulated depreciation	(6.5)	(5.8)
	14.8	11.6

Total capital expenditures for the years ended March 31, 2007 and 2006 were \$4.3 million and \$1.4 million, respectively. Total depreciation expense for the years ended March 31, 2007 and 2006 was \$1.0 million and \$0.9 million, respectively.

Note 10 – Other assets

At March 31	2007 \$m	2006 \$m
Government of Belize securities	5.0	13.5
Investment in associate	6.2	6.3
Other assets	28.5	13.2
	39.7	33.0

Government of Belize securities bear interest at a rate of 9.0 percent per annum are classified as being held-to-maturity, and are carried at cost which, as a result of the short-term maturity of these financial instruments, is approximately equal to their fair market value.

In January 2006, the Group acquired a non-controlling, 50.0 percent interest in the equity of Belize International Services Limited ("BISL"). BISL is a holding company incorporated in the British Virgin Islands which provides financial and other services. The consideration paid amounted to \$6.0 million and was satisfied in cash. The share of net income amounted to \$1.2 million for the year ended March 31, 2007 (2006 – \$0.3 million) and is included in other non-interest income (note 4).

Note 11 – Associates

At March 31	2007 \$m	2006 \$m
Associates	63.6	57.3
Year ended March 31	2007 \$m	2006 \$m
Share of associates' earnings:		
Associates – Numar	9.7	7.4
Total dividends receivable during the year	3.4	2.9

Associates comprise companies in respect of which fair market values are not readily available, but they are considered by the Group to exceed the carrying amounts.

At March 31, 2007, the accumulated undistributed earnings of associates included in the consolidated retained earnings of the Group amounted to \$45.3 million (2006 – \$39.0 million).

Summarized combined unaudited financial information for Numar was as follows:

Year ended March 31	2007 \$m	2006 \$m
Net sales	296.1	290.9
Gross profit	78.6	68.1
Income from continuing operations	46.0	36.1
Net income	39.0	30.4
At March 31	2007 \$m	2006 \$m
Current assets	149.5	122.5
Non-current assets	173.0	157.7
Current liabilities	50.8	40.3
Non-current liabilities	20.6	15.7

Note 12 – Deposits

Year ended March 31	2007 \$m	2006 \$m
Certificates of deposit	277.3	218.4
Demand deposits	175.2	108.2
Savings deposits	52.3	48.9
	504.8	375.5

The maturity distribution of certificates of deposit of \$0.1 million or more was as follows:

Year ended March 31	2007 \$m	2006 \$m
3 months or less	78.7	64.3
Over 3 and to 6 months	45.8	44.3
Over 6 and to 12 months	114.6	66.0
Deposits less than \$0.1 million	38.2	43.8
	277.3	218.4

Included in certificates of deposit at March 31, 2007 were \$130.9 million (2006 – \$105.0 million) of certificates of deposit denominated in US dollars. Included in demand deposits at March 31, 2007 were \$74.9 million (2006 – \$69.7 million) of demand deposits denominated in US dollars and \$32.6 million (2006 – \$3.3 million) denominated in UK pounds sterling.

As a result of the short-term maturity of these financial instruments, their carrying value is considered by the Group to approximately equal their fair market value.

Notes to the consolidated financial statements

Note 13 – Long-term debt

At March 31	2007 \$m	2006 \$m
Five-year unsecured note with interest at 9% per annum payable annually; note redeemed and paid July 7, 2006	–	15.0
Seven-year unsecured note with interest at 10% per annum payable annually; principal sum repayment is at the end of the seven-year term on July 7, 2013	2.5	–
Six-year unsecured note with interest at 10% per annum payable annually; principal sum repayment is at the end of the six-year term on July 7, 2012	2.5	–
Five-year unsecured note with interest at 10% per annum payable annually; principal sum repayment is at the end of the five-year term on July 7, 2011	2.5	–
Four-year unsecured note with interest at 10% per annum payable annually; principal sum repayment is at the end of the four-year term on July 7, 2010	2.5	–
Three-year unsecured note with interest at 10% per annum payable annually; principal sum repayment is at the end of the three-year term on July 7, 2009	2.5	–
	12.5	15.0

Note 14 – Commitments and contingencies

(i) Financial instruments which potentially subject the Group to concentrations of credit risk principally consist of cash, cash equivalents and due from banks and loans due from customers. The Group places its cash, cash equivalents and due from banks with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution.

The Group's loans due from customers primarily result from its core business and reflect a broad customer base, although there are certain concentrations by economic activity. Credit limits, ongoing credit evaluation and account monitoring procedures are utilized to minimize the risk of loss. Substantially all of the Group's loan portfolio is also fully collateralized. As a consequence, concentrations of credit risk are considered to be limited.

The Group has foreign exchange risk which arises from accepting foreign currency deposits, primarily with respect to UK pounds sterling. To manage its foreign exchange risk related to UK pounds sterling deposits, the Group closely monitors the performance of UK pounds sterling and relies on its treasury management to eliminate any UK pounds sterling exposure at short notice if necessary.

(ii) The Group is a party to financial instruments with off-balance-sheet risks in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and financial guarantees. The Group grants short-term credit facilities to customers for periods of up to twelve months generally to meet customers' working capital requirements. These facilities are repayable on demand and are subject to review at any time. In practice, such reviews are carried out at periodic intervals agreed with the customer. Outstanding commitments to extend credit at March 31, 2007 amounted to \$37.9 million (2006 – \$42.7 million).

Since many of the commitments are expected to expire without being drawn upon in full, and because of the fluctuating aspect of the facilities, the total commitment amounts do not necessarily represent future cash requirements. The Group evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral required by the Group for the extension of credit is based on the Group's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties and assets.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Group to guarantee the performance of a customer to a third party. The terms of such guarantees do not normally exceed more than one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. The terms and conditions reflected in letters of credit and guarantees provided by the Group, in so far as they may impact the fair market value of these instruments, are market sensitive and are not materially different from those that would have been negotiated at March 31, 2007. The Group holds similar collateral to that held for the short-term facilities described above and such commitments are generally fully collateralized. Outstanding standby letters of credit and financial guarantees written at March 31, 2007 amounted to \$13.8 million (2006 – \$17.2 million).

(iii) The net operating lease rental charge for the years ended March 31, 2007 and 2006 included in the income from continuing operations in the consolidated statements of income was \$0.2 million and \$0.2 million, respectively.

(iv) At March 31, 2007, the Group is a defendant in a number of pending legal and other proceedings incidental to present and former operations, acquisitions and dispositions. The Group does not expect the outcome of these proceedings, either individually or in the aggregate, to have a material adverse effect on the consolidated financial position of the Group.

Note 15 – Share capital

At March 31	2007 \$m	2006 \$m
Authorized		
Ordinary shares:		
100,000,000 shares of no par value	–	–
Preference shares:		
14,000,000 shares of \$1.00 each	14.0	14.0
Total authorized	14.0	14.0
Issued and outstanding		
Ordinary shares:		
62,554,040 shares of no par value (2006 – 62,554,040)	0.6	0.6

There has been no movement in issued and outstanding shares since April 1, 2005.

Preference shares

In December 1997, 0.5 million preference shares of \$1.00 were designated as Series A preference shares, pursuant to the Shareholder Rights Agreement referred to below, which have been reserved for issuance upon exercise of the said rights. The rights attaching to the balance of 13.5 million preference shares, none of which are issued and outstanding, as to designation, dividends, return of capital, redemption, conversion, voting and otherwise shall be determined by the board of directors of BBHL on or before the time of allotment.

Notes to the consolidated financial statements

In December 1997, BBHL adopted a Shareholder Rights Agreement (the "Agreement") which became effective in February 1998. Under the Agreement, each BBHL ordinary shareholder received a distribution of one right for each BBHL ordinary share held. In May 1999, BBHL resolved that, as a result of a three for one stock split, the number of rights associated with each ordinary share in issue be adjusted from one to one-third.

Each right entitles the holder to purchase from BBHL shares of a new series of A preference shares at an initial purchase price of \$90 per one hundredth of a Series A preference share. The rights will become exercisable and will detach from the ordinary shares a specified period of time after any person becomes the beneficial owner of 15 percent or more of BBHL's ordinary shares, or commences a tender or exchange offer which, if consummated, would result in any person becoming the beneficial owner of 15 percent or more of BBHL's ordinary shares. The rights did not become exercisable on account of any person being the beneficial owner of 15 percent or more of BBHL's ordinary shares when the Agreement was adopted, but become exercisable if such a person increases their beneficial ownership after that time.

If any person becomes the beneficial owner of 15 percent or more of BBHL's ordinary shares, or if any person who was already the beneficial owner of 15 percent or more of BBHL's ordinary shares when the Agreement was adopted increases their beneficial ownership, each right will enable the holder, other than the acquiring person, to purchase, for the rights purchase price, BBHL ordinary shares having a market value of twice the rights purchase price.

If, following an acquisition of 15 percent or more of BBHL's ordinary shares, BBHL is involved in any merger, or other business combination, or sells or transfers more than 50 percent of its assets or earnings power, each right will entitle the holder to purchase, for the rights purchase price, ordinary shares, of the other party to such transaction, having a market value of twice the rights purchase price.

BBHL may redeem all of the rights at a price of \$0.01 per right at any time prior to the specified period of time after a person has become the beneficial owner of 15 percent or more of BBHL's ordinary shares. The rights will expire in December 2007 unless exercised or redeemed earlier. The holders of the rights have no rights as a shareholder of BBHL, including the right to vote and to receive dividends.

Treasury shares

The movement in treasury shares, at cost, held since April 1, 2005 has been as follows:

	Number	\$m
At April 1, 2005	2,451,576	19.0
Disposal (i)	(127,372)	(0.9)
At March 31, 2006	2,324,204	18.1
Purchase (ii)	1,160,000	3.4
At March 31, 2007	3,484,204	21.5

(i) The disposal of treasury shares comprised 127,372 ordinary shares issued in connection with OneSource's defined contribution pension plan obligations for an aggregate cash consideration of \$0.9 million.

(ii) The Group has, from time to time, utilized surplus available funds to purchase treasury shares at times when shares have become available at a share price which represented an attractive purchase opportunity.

The purchase of treasury shares comprised 1,160,000 ordinary shares purchased at an average purchase price of \$2.93 per share in September 2006.

Share options

BBHL has granted employee share options which are issued under the BBHL 1997 Long-Term Incentive Plan (the "Incentive Plan") which reserves ordinary shares for issuance to the Group's executives, officers and key employees. The Incentive Plan is administered by a committee of the board of directors of BBHL. Options are generally granted to purchase BBHL ordinary shares at prices which equate to or are above the market price of the ordinary shares on the date the option is granted. Conditions of vesting are determined at the time of grant but options are generally vested and become exercisable for a period of between three and ten years from the date of grant. The maximum term for any option issued under the plan is ten years.

	Number of share options	Weighted average exercise price
Outstanding at April 1, 2005	1,253,459	\$3.92
Lapsed – fiscal 2006	(253,459)	\$7.56
Outstanding at March 31, 2006	1,000,000	\$3.00
Lapsed – fiscal 2007	(1,000,000)	\$3.00
Issued – fiscal 2007	2,000,000	\$6.50
Outstanding at March 31, 2007	2,000,000	\$6.50

At March 31, 2007, no outstanding options were exercisable.

At March 31, 2006, there were 1,000,000 options outstanding with a weighted average exercise price of \$3.00. These options lapsed according to their terms in August 2006.

In May 2006, BBHL granted new options over 2,000,000 ordinary shares at an exercise price of \$6.50 per share which vest in two tranches as to 500,000 on or after February 2010 and 1,500,000 shares on or after March 2011. The term of these options expires on June 30, 2011.

Statement of Financial Accounting Standards No. 123 – Accounting for Stock-Based Compensation ("SFAS 123"), as amended by SFAS 148, allows companies to measure compensation cost in connection with share option plans and schemes using a fair value based method. Using the fair value based method consistent with the provisions of SFAS 123, the Group has taken a charge of \$0.2 million in the consolidated income statement during the year ended March 31, 2007 (2006 – \$nil).

Notes to the consolidated financial statements

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected stock price volatility	18 percent
Risk free interest rate	5.1 percent
Expected dividend yield	Nil percent
Expected life of option	4.5 years

Note 16 – Pension plan

The Group operates a defined contribution pension plan in Belize which covers a number of salaried employees. In general, the plan provides benefits at normal retirement age based on a participant's individual accumulated fund including any additional voluntary contributions. The Group's pension contribution expense for the years ended March 31, 2007 and 2006 amounted to \$61,120 and \$58,532, respectively.

Note 17 – Related party transactions

Guarantees and indemnities

During fiscal year 2006, the Group had issued guarantor surety, performance and other bonds which related to its US Facilities Services businesses and its UK and Ireland businesses. Under the terms of the respective demerger agreements between BBHL and CGL and between BBHL and OSI, BBHL was released from its obligations under the terms of all these guarantees and indemnities, with the exception of those set out below.

(i) an agreement of indemnity in favour of a provider of performance bonds to OSI relating to a \$35 million surety performance bond line, of which \$16.1 million was utilized by OSI as at March 31, 2006.

(ii) guarantees for the provision of certain lessor equipment, motor vehicle fleet fuel and retrospective insurance premiums with one provider, which, as at March 31, 2006, amounted to approximately \$1.7 million.

During fiscal 2007 BBHL was released from all of its obligations under these indemnities and guarantees.

Business and administrative services

By an agreement dated February 7, 2006, between BBHL and OSI and a separate agreement dated August 8, 2005 between BBHL and CGL, each of BBHL and OSI and BBHL and CGL has agreed to provide, or procure the provision by their respective subsidiaries of, certain business and administrative services to the other party and its subsidiaries as reasonably requested from time to time by the other party or its subsidiaries. Fees are payable on commercial arm's length terms and include the recovery of expenses. The term of each agreement is one year, which will automatically be renewed for a further year unless cancelled by either party. Under the terms of these agreements BBHL received management fees of \$0.2 million from CGL and \$0.2 million from OSI during the year ended March 31, 2007 (2006 – \$0.1 million and \$ nil from CGL and OSI respectively).

Loan

In March 2007, BBHL issued an unsecured, interest bearing, promissory note in the amount of \$6.0 million to Agrigento Holdings Limited ("Agrigento"). The promissory note, including accrued interest amounting to \$31,233 calculated at the prescribed rate of 10 percent per annum, was repaid in full to Agrigento on April 16, 2007 in accordance with its terms. Lord Ashcroft, who owns or controls approximately 71.6 percent of BBHL's issued ordinary shares, is the beneficial owner of Agrigento.

Consultancy services

During the year the Group utilized the consultancy services of Bearwood Services Limited ("Bearwood"), a United Kingdom company in which Lord Ashcroft has an interest. The aggregate fees paid to Bearwood by the Group for the year ended March 31, 2007 amounted to \$0.4 million (2006 – \$ nil).

Note 18 – Post balance sheet events

In April 2007 BBHL carried out a placement of \$50,000,000 10 percent fixed rate, unsecured loan notes with a maturity date of April 23, 2013 (the "Loan Notes"), together with 7,692,308 warrants to subscribe for new ordinary shares of BBHL at an exercise price of US\$6.50 per new ordinary share, until April 23, 2013 (the "Warrants"). The Loan Notes and Warrants were offered to placees, each of whom was an existing large investor in BBHL.

The placing was fully subscribed and raised \$50,000,000, gross of fees and expenses. The entire proceeds of the placing are being used by BBHL to further capitalize The Belize Bank (Turks and Caicos) Limited in order to increase the capital base and strength of that bank.

Prior to the placing, Lord Ashcroft agreed to subscribe for, or procure others to subscribe for, any loan notes and warrants not taken up by placees.

Argigento Holdings Limited, a company in which Lord Ashcroft has an interest, participated in the placing and is the beneficial owner of \$46,724,000 loan notes and 7,188,308 warrants.

Directors and Officers

Board of Directors

Lord Ashcroft, KCMG

Executive Chairman (Belizean)

Lord Ashcroft has been the Executive Chairman of BBHL since 1987. Formerly, Lord Ashcroft was the Chairman and Chief Executive Officer of ADT Limited (1977 to 1997). He is also the Chairman of Trustees for a number of charities – Michael A. Ashcroft Foundation, Crimestoppers, Prospect Education (Technology) Trust and currently Treasurer of the International Democrat Union. He was Belize's Permanent Representative to the United Nations from 1998 until April 2000. Lord Ashcroft was a former Treasurer of the Conservative Party in the United Kingdom from 1998 to 2001. He was appointed to the Board of the Conservative Party in the United Kingdom in May 2005 and in December 2005 he became a Deputy Chairman. In March 2000, he was appointed a life peer in the British House of Lords and in June 2000 he was awarded a Knighthood (KCMG – Knight Commander of the Order of St. Michael and St. George) for public service to the community and country of Belize. In November 2001, he was invested as Chancellor of Anglia Ruskin University (ARU) in the United Kingdom. Lord Ashcroft is also a British citizen and a Belonger of the Turks and Caicos Islands.

David Hammond

Non Executive Deputy Chairman (British)

David Hammond has been a Non Executive Deputy Chairman of BBHL since 1998. He is also the Chairman of the Executive Committee and of the Audit Committee. He is a director and Chairman of the audit committee of Global Health Partner plc. He was previously Deputy Chairman of ADT Limited from 1989 to 1996 and Director and Chairman of the Audit Committee of American Medical Response Inc. from 1993 to 1997. Member of the Competition Commission in the United Kingdom from 1995 to 2001. Mr. Hammond, who is a Chartered Accountant, has over 30 years experience in the services industry.

Peter Gaze

Chief Financial Officer (British)

Peter Gaze has been a director of BBHL since March 2007 and the Chief Financial Officer of BBHL since 1998. He is also a member of the Executive Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales, having trained with the international accounting firm of PricewaterhouseCoopers in London. Prior to joining BBHL, he was the Group Financial Controller of ADT Limited from 1990 to 1997.

Philip Johnson

Chief Executive Officer (Belizean)

Philip Johnson was appointed Chief Executive Officer of BBHL in September 2006 having been CEO of BBHL's Financial Services Division and President of The Belize Bank Limited since 1995. He is also a member of the Executive Committee. Prior to joining the bank, Mr. Johnson spent over 10 years in a variety of commercial roles, including over seven years with Lonrho PLC, having previously qualified as a Chartered Accountant. Mr. Johnson is also a British citizen.

Philip Osborne

Company Secretary (British)

Philip Osborne has been Company Secretary of BBHL since 1993 and a director of BBHL since February 2007. Mr. Osborne is a Solicitor and a member of the Law Society of England and Wales. Before joining BBHL, Mr. Osborne worked as a legal adviser to the London Stock Exchange and The Securities Association in the United Kingdom and for the international law firms of Clifford Chance and S. J. Berwin & Co. He is a member of the Belize Bar Association and the country representative for Belize of the International Bar Association.

Cheryl Jones

Non Executive Director (American)

Cheryl Jones has been a Director of BBHL since 2003. Ms. Jones was appointed as Chief Executive Officer of OneSource Services Inc. in February 2006 having been Chairman and Chief Executive Officer of OneSource Holdings, Inc. since April 2003. Prior to joining OneSource, Ms. Jones served as Senior Vice President of National Linen Service, a subsidiary of National Service Industries, Inc. where she held a variety of senior management positions from 1994 to 2001.

Emory King

Non Executive Director (Belizean)

Emory King has been a Non Executive Director of BBHL since 1987. Mr. King is now in semi retirement after a career in insurance and real estate. He is presently involved in publishing, printing and public relations. He is also a Justice of the Peace in Belize.

John Searle

Non Executive Director (Belizean)

John Searle has been a Non Executive Director of BBHL since 1987. He is also a member of the Audit Committee. Mr. Searle is Chairman and Managing Director of Belize Global Travel Services Limited, which carries on the business of a travel agency and tourism.

Directors and Officers

Executive Directors – The Belize Bank Limited (“Belize Bank”)

Philip Johnson

Chairman, President

Louis Swasey

Executive Director – Belize Bank, Senior Vice President

Louis Swasey heads the Domestic Operations of Belize Bank and has over 37 years of banking experience. He previously worked with the Royal Bank of Canada where he held various senior positions and completed extensive training both in Belize and abroad.

Hon. Andrew Ashcroft

Managing Director – Belize Bank Turks and Caicos Limited

Andrew Ashcroft joined Belize Bank in May 2002. After an initial period in the Belize Bank head office, Mr. Ashcroft transferred to Turks and Caicos to become the Managing Director. He is a graduate in International Business and has a Professional Diploma in Financial Services Management from an affiliate of University of Manchester. He is also The Honorary Consul for Panama in Belize and a Vice Chairman of International Young Democrat Union.

Jose Cardona

Executive Director – Belize Bank, Vice President of Electronic Banking

Jose Cardona joined the Royal Bank of Canada in 1981 and remained with the bank when it became Belize Bank in 1987. He has over 20 years of experience in Belize Bank's operations. He has worked in the computer operations department since 1988, assuming overall management of Information Technology Systems since 1995. Mr. Cardona is also a Justice of the Peace in Belize.

Michael Castillo

Executive Director – Belize Bank, Branch Manager, San Pedro

Michael Castillo has a banking career dating back from 1978 under the Royal Bank of Canada. He served as manager of Belize Bank San Ignacio Branch for 10 years and has been managing the Belize Bank San Pedro Branch for the past 7 years.

Christopher Coye

Executive Director – Belize Bank, International & Corporate Services

Christopher Coye is a specialist in international financial services. A former economist at the Central Bank of Belize and a trained attorney, Mr. Coye brings Belize Bank his experience and expertise from his years in private practice in commercial and banking law.

Michael Coye

Executive Director – Belize Bank, Vice President of Finance

Michael Coye is a member of the Institute of Chartered Accountants of Belize and the American Institute of Certified Public Accountants. He has been with Belize Bank for 13 years. Prior to joining Belize Bank, he was employed as a Senior Auditor with PricewaterhouseCoopers.

Martin Marshalleck

Executive Director – Belize Bank

Martin Marshalleck has been in banking for over 20 years. For the past 6 years, he has held senior positions with both a local and an international bank in Belize.

Efrain Martin

Executive Director – Belize Bank, Branch Manager Orange Walk

Efrain Martin began his 37 year banking career with the Royal Bank of Canada and in 1987 joined Belize Bank. During the last 10 years he has been the Area Manager for Northern Belize with supervision of the Orange Walk Town, Corozal Town and the Corozal Freezone and the Corozal Border Service branches.

Shareholder information

Market Information

BB Holdings Limited ordinary shares are currently traded on the Alternative Investment Market of the London Stock Exchange in the United Kingdom ('AIM') under the symbol 'BBHL'.

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Designed and produced by Carlidge Levene

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