

Notes to the Consolidated Financial Statements

Note 10. Cash, Cash Equivalents and Short Term Investments

At year end, the Company had \$864 (2005 – \$837) in cash, cash equivalents and short term investments held by Glenhuron Bank Limited (“Glenhuron”), a wholly owned subsidiary of the Company in Barbados. The \$40 (2005 – \$27) of income from cash, cash equivalents and short term investments was recognized in net short term interest.

The Company recognized an unrealized foreign currency exchange gain of \$2 (2005 – \$31 loss) as a result of translating its United States dollar denominated cash, cash equivalents and short term investments, of which \$1 income (2005 – \$31 loss) related to cash and cash equivalents. The resulting gain or loss on cash, cash equivalents and short term investments is offset in operating income by the unrealized foreign currency exchange gain on the cross currency basis swaps. A cumulative unrealized foreign currency exchange receivable of \$165 (2005 – \$168) relating to these swaps is recorded in other assets on the balance sheet.