



S. L. HORSFORD & CO. LTD.



ANNUAL REPORT 2011



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Our Vision

"To be the company of choice."



Mission Statement

"Exceptional service,
Exceptional value,
for
Exceptional people."

Table

OF CONTENTS



Corporate Information	2
Notice of Meeting	3
Company Profile	4
Chairman's Report	5
Report of the Directors	6
Financial Highlights	7
Auditors' Report	8
Consolidated Statement of Financial Position	10
Consolidated Statement of Income	11
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15-32

Corporate

INFORMATION



Directors:

W. Anthony Kelsick B.A., B. Comm., C.A.	Chairman and Managing Director
Donald L. Kelsick B.A., H.B.A.	Executive Director
Judith P. Ng'alla F.C.C.A.	Executive Director
Malcolm C. Kirwan B.S., M.B.A.	Retired Vice– President for Administration and Finance University of the Virgin Islands
Mark A. Wilkin B.A., M.B.A.	Managing Director, Carib Brewery (St. Kitts & Nevis) Ltd
Victor O Williams B. Sc, SCL	Architect & Planner
Anthony E. Gonsalves LLB, LLM	Barrister-at-Law & Solicitor

Secretary:

Judith Ng'alla F.C.C.A.

Registered Office:

Marshall House
Independence Square West
Basseterre
St. Kitts, West Indies

Auditors:

PKF
Chartered Accountants and Business Advisors
Independence Square North,
Basseterre, St. Kitts

Bankers:

Royal Bank of Canada, St. Kitts
First Caribbean International Bank, St. Kitts and Nevis
Bank of Nova Scotia, St. Kitts and Nevis
SKNA National Bank, St. Kitts and Nevis

Solicitors:

Kelsick, Wilkin and Ferdinand
Independence Square South, Basseterre
St. Kitts, West Indies

Law Office of Robin Herbert Thompson
The Sands Complex, Basseterre
St. Kitts, West Indies

Notice

OF MEETING

NOTICE IS HEREBY GIVEN that the twenty-first Annual General Meeting of the Company, as a Public Company, will be held at Frigate Bay Resort, Frigate Bay, on Thursday 19 April 2012 at 5 o'clock in the afternoon for the following purposes:

1. To receive and consider the Financial Statements for the year ended 30 September 2011.
2. To receive and consider the Report of Directors thereon.
3. To receive and consider the Report of Auditors thereon.
4. To declare a Dividend.
5. To appoint Directors in place of those retiring and to confirm the appointment of a new Director.
6. To appoint Auditors and fix their remuneration.

NOTE: A member is entitled to appoint a proxy to attend and on a poll to vote instead of him/her. A form of proxy is enclosed. Proxies must reach Secretary at least 48 hours prior to date of Annual General Meeting.

BY ORDER OF THE BOARD



Judith P. Ng'alla
Company Secretary
Dated 16 February 2012

Marshall House
1 Independence Square West
Basseterre
St. Kitts

Additional copies of the Annual Report may be printed from the Company's website
www.horsfords.com/horsford/investor.asp

Company PROFILE



S L Horsford & Co. Limited, founded in 1875, was incorporated in 1912. Shares to the general public were first issued in 1990, signifying its conversion to a Public Company. Today, the company is a highly diversified business establishment involved in multiple trading, service and manufacturing activities through its various departments and subsidiary companies. It has traded profitably since its incorporation.

S L Horsford & Company Limited, comprised of several operational departments and subsidiaries, trades in both St. Kitts and Nevis. Products and services traded include building materials, hardware, furniture, appliances, petroleum products, food, cars, trucks, insurance, shipping, car rentals, hire purchase and consumer credit.

The key brands and principals represented include IGA, Nissan, Kia, Daihatsu, Geest Line, Bernuth, Holland America Line, Norwegian Cruise Line, Festival Cruises, Avis Rent a Car, NEMWIL, ORGILL Brothers Inc., General Electric Corp. and Trinidad Cement Limited.

Actively trading subsidiary companies are Ocean Cold Storage (St. Kitts) Limited, S L Horsford Finance Co. Limited, S. L. Horsford Nevis Ltd., and S. L. Horsford Shipping Ltd.

Associate companies include St. Kitts Masonry Products Limited, 50% owned, Carib Brewery (St. Kitts and Nevis) Limited, 20% owned, and St. Kitts Developments Limited, which is 30% owned and involved in the development of housing sites on 200 acres of land at Half Moon Bay, St. Kitts.

The results for 2011 were significantly less than those enjoyed in the last three years. Compared to 2010, Profit before Tax showed a decline of \$4,860,379 or 33.66% to \$9,578,212 and Profit after Tax showed a decrease of \$3,523,729 or 37.39% to \$5,899,784. Similarly, basic earnings per share declined from \$0.31 to \$0.20.

Comparatively, Group sales fell by \$17,472,657 or 13.7%. However this decline is misleading as 2010 sales would have included consumption taxes which were replaced by VAT in November 2010. VAT is not included in the sales figure for the last eleven months of fiscal 2011. If VAT were included in these 2011 sales the real short fall would have been more in the region of 5% to 7%.

More meaningful is the decline in Gross Profit by \$3,657,402 or 11.16% to \$29,112,530 and the decline in Other Income by \$1,138,758 or 11.15% to \$9,072,888. As a result, Total Income declined by \$4,796,160 or 11.16% to \$38,185,418.

On a positive note, expenses in 2011 decreased by \$572,413 or 1.83% to \$30,700,695.

Profit before Results of Associated Companies was \$7,484,723, a decline of \$4,223,747 or 36.07%. Share of Profit of Associated Companies was \$2,093,489, a reduction of \$636,632 or 23.32%.

Income Tax expense was \$3,678,428 in 2011 which is an effective rate of 38.40% versus 34.73% in 2010.

The decline in our economies in St Kitts and Nevis which we experienced

in 2009 and 2010 continued into 2011. The construction sector particularly has contracted by 30% over the past 4 years and now stands at 2005 levels. In addition, consumers faced additional challenges in 2011; the introduction of VAT, while a success in increasing government revenues, has resulted in lower disposable income available to the average consumer. Similarly or perhaps worse for the consumer, has been the effects of the 85% increase in electricity rates. In addition there have been several job layoffs experienced in sectors other than the already highlighted contracted construction field.

As a result of the above, sales in all our operating departments and companies have declined significantly, but by varying amounts. Moreover, our food retail operation experienced new competition by foreign operators which, along with VAT, has affected those margins substantially.

As noted, we were able to contain our operating expenses. However, efficiencies employed in earlier years had little further benefits in 2011 as will be the case going forward. We have been experiencing substantial increases in our electricity costs due to the world price for oil, a situation for which there will be little relief in the future.

The newly reconstructed gasoline station at Wellington Road reopened in mid April 2011 and although it has shown steady growth in gasoline sales, it has not yet achieved our expected targets. The Valu Mart IGA supermarket in Nevis was near completion at the end of the reporting period and in fact commenced operation shortly after in November 2011. We were also

successful in purchasing the lands on which our Ocean Cold Storage operations and our Furniture and Appliances warehousing are located at the CAP Southwell Industrial site. These lands had previously been under a long-term lease.

The group's solvency remains strong with a debt to equity ratio of 0.316:1 and a debt to total assets of 0.218:1.

The outlook for 2012 is for an even more difficult period as early indications show further declines in profitability. Our environment remains adverse to immediate positive economic or business growth and performance.

Your Directors recommend a final dividend of \$0.05 per share which, along with the interim dividend of \$0.05, will result in a total annual dividend of \$0.10 per share for a total of \$3,014,843 allowing retention of \$2,884,941.

I wish to thank all of our customers on both St Kitts and Nevis for their continued loyalty and support.

I also wish to thank our staff for their support and dedication to their work.

I thank my fellow directors for their support and valued counsel.



W ANTHONY KELSICK

B.A., B.Comm., C.A.

Report

OF THE DIRECTORS



The Directors submit their Report and Audited Accounts for the year ended 30 September 2011.

	2011	2010
Profit for the year (after providing for Taxation)	\$5,899,784	\$9,423,513
The Board recommends a dividend of 10 % (2010 = 11%)	\$3,014,843	\$3,316,327

In accordance with Articles 102 and 103 of the Articles of Association, Mr. Malcolm Kirwan and Mr. Mark Wilkin retire from the Board on rotation and being eligible offer themselves for re-appointment. And in accordance with Article 99 Mrs. Judith Ng'alla, Company Secretary, who was appointed to the Board on 23 June 2011 offers herself for re-appointment.

The Auditors, PKF, Chartered Accountants and Business Advisors, also, retire and being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD


JUDITH P NG'ALLA
Company Secretary

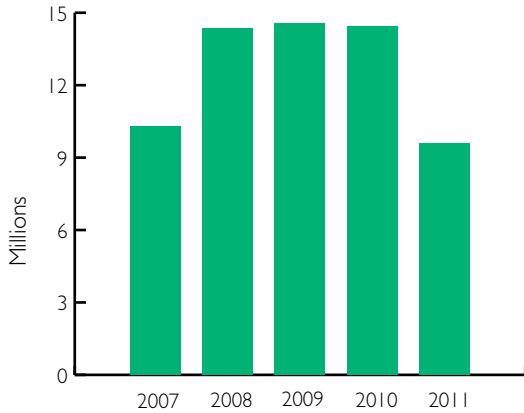
16 February 2012

Financial

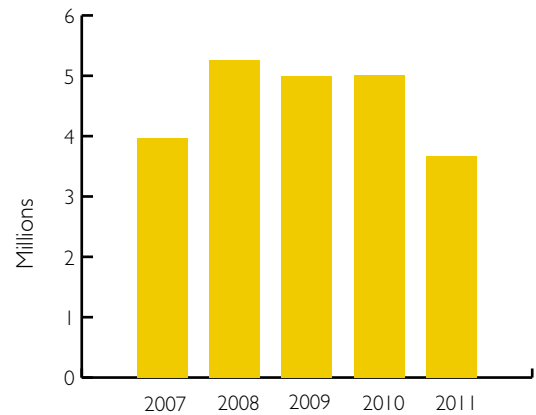
HIGHLIGHTS FOR 2011



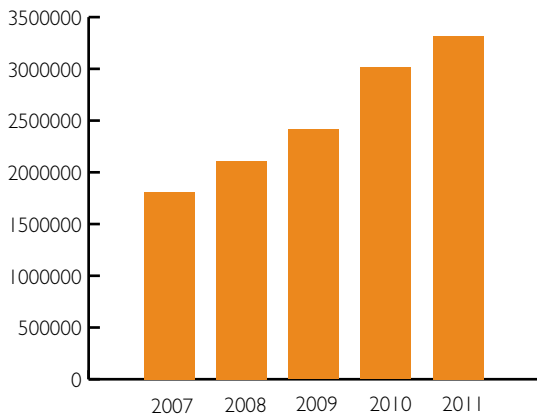
Profit Before Tax



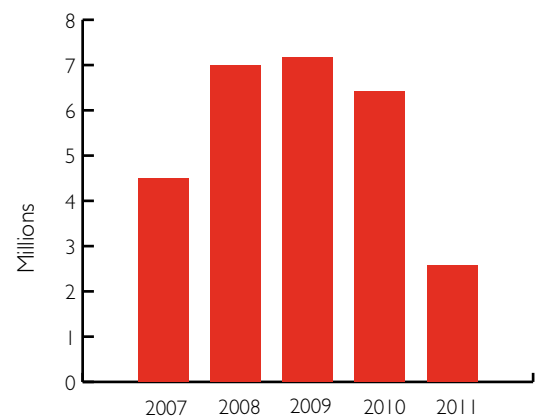
Corporation Tax



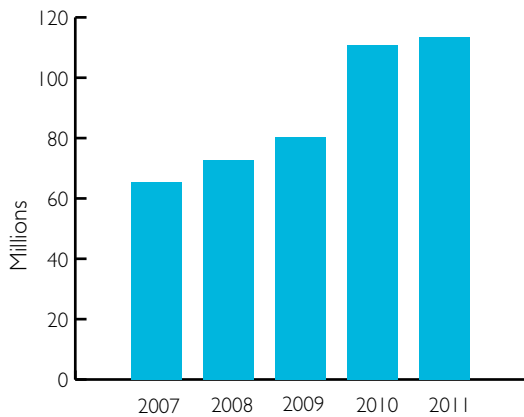
Dividends Paid



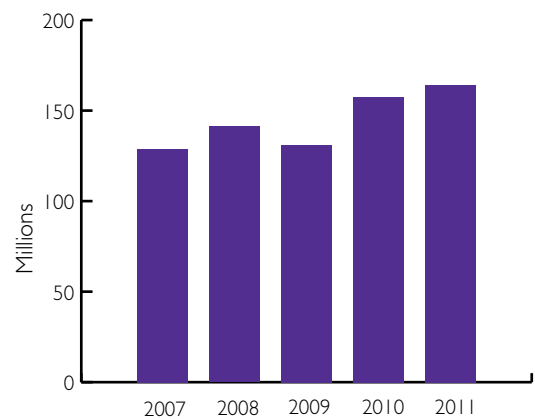
Profits Retained



Shareholders' Equity



Total Assets



PKF

TO THE SHAREHOLDERS

S L HORSFORD AND COMPANY LIMITED

We have audited the accompanying consolidated financial statements of S L Horsford and Company Limited and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 30 September 2011, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors'

Auditors'

REPORT (cont'd)

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 for 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.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 30 September 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



CHARTERED ACCOUNTANTS:

BASSETERRE ST KITTS

16 February 2012

Consolidated

STATEMENT OF FINANCIAL POSITION



10

AT 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

	NOTES	2011	2010
CURRENT ASSETS			
Cash at Bank and in Hand		299,755	1,650,929
Accounts Receivable – Current	3	12,424,403	11,539,928
Inventories	4	30,714,777	31,240,801
		<u>43,438,935</u>	<u>44,431,658</u>
CURRENT LIABILITIES			
Loans and Bank Overdrafts	5	22,957,555	15,626,157
Accounts Payable and Accruals	6	8,665,655	8,453,945
Provision for Taxation	7	580,640	1,649,916
		<u>32,203,850</u>	<u>25,730,018</u>
WORKING CAPITAL			
		11,235,085	18,701,640
INTANGIBLES	8	1,508	8,155
ACCOUNTS RECEIVABLE – Non-Current	3	11,687,491	14,199,515
INVESTMENT IN ASSOCIATED COMPANIES	9	13,183,759	12,954,420
AVAILABLE-FOR-SALE INVESTMENTS	10	684,967	768,009
PROPERTY, PLANT AND EQUIPMENT	5 & 11	95,231,460	85,153,625
TOTAL		<u>\$132,024,270</u>	<u>\$131,785,364</u>
FINANCED BY			
SHARE CAPITAL	12	30,148,430	30,148,430
RESERVES		83,189,852	80,704,723
SHAREHOLDERS' FUNDS			
		113,338,282	110,853,153
DEFERRED TAX LIABILITY	13	5,884,847	5,250,862
LOANS NON-CURRENT	5	12,801,141	15,681,349
FUNDS EMPLOYED		<u>\$132,024,270</u>	<u>\$131,785,364</u>

The attached Notes form an integral part of these Consolidated Financial Statements.

Approved by the Board of Directors on 16 February 2012.

W Anthony Kelsick
Chairman

Donald Kelsick
Director

Consolidated

STATEMENT OF INCOME



FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

	2011	2010
TURNOVER (Note 2 (m))	109,622,518	127,095,175
Cost of Sales	<u>(80,509,988)</u>	<u>(94,325,243)</u>
Gross Profit	29,112,530	32,769,932
Other Income	<u>9,072,888</u>	<u>10,211,646</u>
TOTAL INCOME	<u>38,185,418</u>	<u>42,981,578</u>
LESS: EXPENSES		
Administrative Expenses	(20,753,864)	(20,231,835)
Distribution Costs	(1,939,846)	(2,067,867)
- Transport		
- Advertising	(2,008,564)	(2,043,030)
Other Expenses	(1,489,745)	(1,851,548)
Depreciation and Amortisation	(2,835,640)	(2,941,138)
Finance Costs	<u>(1,673,036)</u>	<u>(2,137,690)</u>
	<u>(30,700,695)</u>	<u>(31,273,108)</u>
Profit Before Results of Associated Companies	7,484,723	11,708,470
Share of Profit of Associated Companies (Notes 2(d) & 9)	<u>2,093,489</u>	<u>2,730,121</u>
INCOME BEFORE TAXATION	9,578,212	14,438,591
Income Tax Expense (Note 7)	<u>(3,678,428)</u>	<u>(5,015,078)</u>
INCOME FOR THE YEAR CARRIED TO		
STATEMENT OF COMPREHENSIVE INCOME	<u>\$5,899,784</u>	<u>\$9,423,513</u>
BASIC EARNINGS PER SHARE (See Note 14)	<u>\$0.20</u>	<u>\$0.31</u>

The attached Notes form an integral part of these Consolidated Financial Statements.

Consolidated

STATEMENT OF COMPREHENSIVE INCOME



12

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

	2011	2010
Net Income for the Year	5,899,784	9,423,513
OTHER COMPREHENSIVE INCOME		
Revaluation Reserve (Net of Disposals, Related Costs and Deferred Tax)	–	24,117,270
Decrease in Revaluation Reserve - Associated Company	(65,286)	(60,189)
Unrealised Holding Loss - Decrease in Fair Value (Note 10)	<u>(33,043)</u>	<u>(57,451)</u>
TOTAL COMPREHENSIVE INCOME CARRIED TO STATEMENT OF CHANGES IN EQUITY	<u>\$5,801,455</u>	<u>\$33,423,143</u>

The attached Notes form an integral part of these Consolidated Financial Statements.

Consolidated

STATEMENT OF CHANGES IN EQUITY



FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

	Share Capital	Revaluation Reserve	Other Capital Reserves	Unrealised Holding Gain- Investment	Retained Earnings	Total
Balance at 30 September 2009						
- As previously reported	30,148,430	14,315,849	555,307	624,979	33,752,246	79,396,811
- Prior Year Adjustment						
- Associated Company	-	-	-	-	1,048,042	1,048,042
- As restated	30,148,430	14,315,849	555,307	624,979	34,800,288	80,444,853
Comprehensive Income	-	24,057,081	-	(57,451)	9,423,513	33,423,143
Dividend Paid - \$0.10 per share	-	-	-	-	(3,014,843)	(3,014,843)
Balance at 30 September 2010	<u>\$30,148,430</u>	<u>\$38,372,930</u>	<u>\$555,307</u>	<u>\$567,528</u>	<u>\$41,208,958</u>	<u>\$110,853,153</u>
Balance at 30 September 2010	30,148,430	38,372,930	555,307	567,528	41,208,958	110,853,153
Comprehensive Income	-	(65,286)	-	(33,043)	5,899,784	5,801,455
Dividend Paid - \$0.11 per share	-	-	-	-	(3,316,326)	(3,316,326)
Balance at 30 September 2011	<u>\$30,148,430</u>	<u>\$38,307,644</u>	<u>\$555,307</u>	<u>\$534,485</u>	<u>\$43,792,416</u>	<u>\$113,338,282</u>

The attached Notes form an integral part of these Consolidated Financial Statements.

Consolidated

STATEMENT OF CASH FLOWS



14

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before Taxation	9,578,212	14,438,591
Adjustments for:		
Depreciation and Amortisation	2,835,640	2,941,138
Gain on Disposal of Property, Plant and Equipment	(86,826)	(246,375)
Impairment of Investment	49,999	-
Finance costs incurred	1,673,036	2,137,690
Share of Income from Associated Companies	<u>(2,093,489)</u>	<u>(2,730,121)</u>
Operating profit before working capital changes	11,956,572	16,540,923
Net change in non-cash working capital balances related to Operations	<u>(146,741)</u>	<u>3,138,992</u>
Cash generated from operating activities	11,809,831	19,679,915
Finance costs Paid	(1,673,036)	(2,137,690)
Taxation Paid	<u>(3,604,944)</u>	<u>(5,460,743)</u>
Net Cash from Operating Activities	<u>6,531,851</u>	<u>12,081,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(13,310,696)	(7,814,758)
Proceeds from Disposal of Property, Plant and Equipment	490,693	1,422,840
Purchase of Investments	-	(10,044)
Purchase of Intangibles	-	(55,607)
Dividends received from Associated Companies	<u>1,290,090</u>	<u>978,543</u>
Net Cash used in Investing Activities	<u>(11,529,913)</u>	<u>(5,479,026)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-Current Receivables	2,512,024	1,754,885
Long term Loans Repaid	(248,665)	(2,757,874)
Dividends Paid to Shareholders	<u>(3,316,326)</u>	<u>(3,014,843)</u>
Net Cash used in Financing Activities	<u>(1,052,967)</u>	<u>(4,017,832)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(6,051,029)	2,584,624
Cash and Cash equivalents – beginning of year	<u>1,375,302</u>	<u>(1,209,322)</u>
Cash and Cash equivalents – end of year	<u>\$ (4,675,727)</u>	<u>\$ 1,375,302</u>
Cash and Cash equivalents comprise:		
Cash	299,755	1,650,929
Bank Overdrafts	<u>(4,975,482)</u>	<u>(275,627)</u>
	<u>\$ (4,675,727)</u>	<u>\$ 1,375,302</u>

The attached Notes form an integral part of these Consolidated Financial Statements.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

I CORPORATE INFORMATION

S L Horsford and Company Limited (known locally as Horsfords) was incorporated as a Private Limited Company on 31 January 1912 under the provisions of the Companies Act 1884, (No 20 of 1884) of the Leeward Islands. By Special Resolution dated 30 July 1990, the Company was converted into a Public Company.

In accordance with the provisions of The Companies Act (No 22 of 1996), of the Laws of St Kitts and Nevis, the Company was re-registered as a Company with Limited Liability with its registered office located at Independence Square West, Basseterre, St Kitts, West Indies.

Horsfords is a diversified trading company and details of its subsidiary and associated companies and their main activities are set out in Note 17.

The Company is listed on the Eastern Caribbean Stock Exchange.

2 ACCOUNTING POLICIES

(a) Basis of Accounting:

The consolidated financial statements are prepared on the historical cost basis with the exception of certain property, plant and equipment which are included at net book values based upon valuations. The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards.

The accounting policies which are followed are set out below.

The accounting policies adopted are consistent with those of the previous financial year including the adoption of the new and amended IAS, IFRS AND IFRIC (International Financial Reporting Committee) interpretations for accounting periods beginning on or after dates indicated:

In effect and applicable

IFRS 1	First-time Adoption of International Financial Reporting Standards – Limited Exemptions from Comparative IFRS 7 Disclosures for First-time Adopters - effective 1 July 2010
IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Improvements to IFRSs - effective 1 January 2010
IFRS 3	Business Combinations - Amendments resulting from May 2010 Annual Improvements to IFRSs - effective 1 July 2010

Standards and interpretations in issue and effective but not applicable

IFRS 1	First-time Adoption of International Financial Reporting Standards -Amendment relating to oil and gas assets and determining whether an arrangement contains a lease- effective 1 January 2010.
IFRS 2	Share-based Payment - Amendments relating to group cash-settled share-based payment transaction - effective 1 January 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from April 2009 Annual Improvements to IFRSs - effective 1 January 2010
IFRS 8	Operating Segments – Amendments resulting from April 2009 Annual Improvements to IFRSs – effective 1 January 2010
IAS 32	Financial Instruments: Presentation – Amendments relating to classification of rights issues- effective 1 February 2010

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (cont'd)**(a) Basis of Accounting (cont'd):****Standards and interpretations in issue and effective but not applicable (cont'd)**

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments – effective 1 July 2010.

Standards and interpretations in issue but not effective

IFRS 1 First-time Adoption of International Financial Reporting Standards – Amendments resulting from May 2010 Annual Improvements to IFRSs – effective 1 January 2011

IFRS 1 First-time Adoption of IFRSs – Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' – effective 1 July 2011

IFRS 1 First-time Adoption of IFRSs – Additional exemption for entities ceasing to suffer from severe hyperinflation – effective 1 July 2011

IFRS 7 Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs – effective 1 January 2011

IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets – effective 1 July 2011

IFRS 9 Financial Instruments – Classification and Measurement - effective 1 January 2013

IFRS 10 Consolidated Financial Statements – effective 1 January 2013

IFRS 11 Joint Arrangements – effective 1 January 2013

IFRS 12 Disclosure of Interests in Other Entities – effective 1 January 2013

IFRS 13 Fair Value Measurement - effective 1 January 2013

IAS 1 Presentation of Financial Statements- Amendments resulting from May 2010 Annual Improvements to IFRSs – effective 1 January 2011

IAS 1 Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented – effective 1 July 2012

IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) – 1 January 2012

IAS 19 Employee benefits – Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects – effective 1 January 2013

IAS 24 Related Party Disclosures – Revised definition of related parties – effective 1 January 2011

IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in 2011) - effective 1 January 2013

IAS 28 Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) – effective 1 January 2013

IAS 34 Interim Financial Reporting – Amendments resulting from May 2010 Annual Improvements to IFRSs – effective 1 January 2011

IFRIC 13 Customer Loyalty Programmes – Amendments resulting from May 2010 Annual Improvements to IFRSs – effective 1 January 2011

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (cont'd)

(a) Basis of Accounting (cont'd):

Standards and interpretations in issue but not effective (cont'd):

- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – November 2009 Amendments with respect to Voluntary prepaid contributions - effective 1 January 2011
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – effective 1 January 2013

(b) Use of Estimates:

The preparation of financial statements in conformity with International Financial Reporting Standards 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 reporting period. Actual results could differ from those estimated.

(c) Basis of Consolidation:

The consolidated financial statements include the audited financial statements of the Company and its subsidiary undertakings made up to 30 September, together with the Group's share of the results of associated companies.

Goodwill arising on consolidation, representing the excess of purchase consideration over the fair value of net tangible assets acquired, is written off against reserves in the year of acquisition.

(d) Investment in associated companies:

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income to the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment as its fair value. Any differences between the carrying amount of the associates upon loss of significant influence and the value of the retaining investment and proceeds from disposal is recognised in profit or loss.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (cont'd)

(e) Foreign Currencies:

All amounts are expressed in Eastern Caribbean Dollars. Current assets and liabilities in foreign currencies are translated into Eastern Caribbean Dollars at the exchange rates prevailing at the Balance Sheet date. Fixed and other assets are reflected at the rates prevailing when acquired.

During the year, exchange differences arising from currency translations in the course of trading, and gains and losses arising from the translation of monetary current assets and liabilities are dealt with through the Profit or Loss.

(f) Revenue Recognition:

The group principally derives its revenue from sales to third parties, rendering of services, interest income and dividends.

Sales to third parties:

Revenue from the sale of products to third parties is recognised when the significant risks and rewards of ownership have been passed to the buyer and the amounts can be measured reliably.

Rendering of services:

Revenue is recognised in the accounting period in which the services are provided by reference to the stage of completion.

Interest income:

Interest from hire purchases is apportioned over the period in which the instalments are due, in the proportion which instalments due bear to total selling price. Other interest income is recognised as the interest accrues, unless collectability is in doubt.

Dividend:

Dividend income is recognised when the group's right to receive payment is established.

(g) Accounts Receivable:

Trade receivables are recognised and carried at original invoice amounts less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(h) Inventories and Goods in Transit:

Inventories and Goods in Transit are consistently valued at the lower of cost and net realisable value on a first-in, first-out (FIFO) basis. Adequate provision has been made for obsolete and slow-moving items.

(i) Hire Purchase Sales:

Furniture:

The gross profit and interest charges relating to Hire Purchase Sales are apportioned over the periods in which the instalments are due, in the proportion which instalments due bear to total selling price.

Hire Purchase stock and debtors are valued at Hire Purchase sale price less deferred gross profit and interest charges and less cash received on account. These values are not greater than cost or net realisable value.

(j) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost or at valuation and reduced by depreciation which is provided on the straight line and reducing balance bases to write off assets over their expected useful lives.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (cont'd)

(j) Property, Plant and Equipment (cont'd):

Depreciation rates are as follows:

Freehold Buildings	2%
Leasehold Buildings	4%
Vehicles	12.5% - 30%
Cargo Handling Gear	20%
Furniture, Fittings and Equipment	10% - 20%
Coldrooms and Electrical Installations	10%
Plant and Equipment	20% - 33.33%
Boat	20%

(k) Investments:

Available-for-sale:

These are securities, which are not held with the intention of generating profits from market movements, and the general purpose is to hold these securities for an indefinite period.

Investments are initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. For securities where there is no quoted market price, fair value has been estimated by management at cost less amounts written off. While it is not practical to determine the current market value of these investments, impairment is assessed and provisions for permanent impairment in the value of investments is made through the profit or loss.

Investments in companies quoted on the Securities Exchange are carried at fair value based on quoted market prices at the year end. All unrealised gains and losses on revaluation, are reported as part of shareholders' equity in the capital reserve account, until the securities are disposed of, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss.

(l) Taxation:

The group follows the liability method of accounting for deferred tax whereby all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes are provided for at the current corporation tax rate. Deferred tax assets are only recognised when it is probable that taxable profits will be available against which the assets may be utilised.

(m) Turnover:

Turnover is defined as the net amount receivable for goods supplied. Major transactions within the group are eliminated.

(n) Accounts Payable and Accruals:

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the group.

(o) Provisions:

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (cont'd)

(p) Intangibles:

Intangible assets are identifiable non-monetary assets without physical substance. Computer software meets this description and has been removed from property, plant and equipment in order to comply with International Accounting Standard No. 38. Acquired computer software licences, upgrades to software and related costs that are expected to contribute to the future economic benefit of the group are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives at a rate of 33 1/3% per annum.

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

(q) Borrowing Costs:

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The group capitalises borrowing costs for all eligible assets where construction was commenced on or after January 1, 2009.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

3 ACCOUNTS RECEIVABLE

	2011	2010
Trade Receivables (Net of provision for doubtful debts)	22,075,698	24,566,968
Sundry Receivables and Prepayments	<u>2,036,196</u>	<u>1,172,475</u>
	24,111,894	25,739,443
Less: Non-current portion of Receivables	<u>(11,687,491)</u>	<u>(14,199,515)</u>
TOTAL - Current	<u>\$12,424,403</u>	<u>\$11,539,928</u>

All non-current receivables are due within five (5) years from the balance sheet date.

4 INVENTORIES

	2011	2010
Merchandise	26,084,296	25,370,293
Stock on Hire	3,318,113	3,877,116
Goods In Transit	<u>1,312,368</u>	<u>1,993,392</u>
TOTAL	<u>\$30,714,777</u>	<u>\$31,240,801</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

5 LOANS AND BANK OVERDRAFTS

	2011	2010
Current:		
Overdrafts	4,975,482	275,627
Loans – Current Portion	<u>17,982,073</u>	<u>15,350,530</u>
TOTAL CURRENT LOANS AND BANK OVERDRAFTS	<u>\$22,957,555</u>	<u>\$15,626,157</u>
LOANS – NON-CURRENT	<u>\$12,801,141</u>	<u>\$15,681,349</u>
Summary of Loans and Overdrafts:		
Amount Payable:		
Within 1 year	22,957,555	15,626,157
2 – 5 Years	8,317,381	10,926,592
Over 5 Years	<u>4,483,760</u>	<u>4,754,757</u>
TOTAL LOANS	<u>\$35,758,696</u>	<u>\$31,307,506</u>
Analysed as follows:		
Secured	19,609,104	18,921,297
Unsecured	<u>16,149,592</u>	<u>12,386,209</u>
TOTAL	<u>\$35,758,696</u>	<u>\$31,307,506</u>

REPAYMENT TERMS:

Loans are repayable over periods varying from one (1) to twelve (12) years at rates of interest of between approximately 6% and 9%.

COLLATERAL FOR ADVANCES:

The Bank Loans and Overdrafts are secured by debentures executed by the Parent Company and two subsidiaries totalling \$62,345,000 (2010 = \$62,345,000).

The principal instalments due within the twelve months ending 30 September 2012 have been shown under Current Liabilities.

6 ACCOUNTS PAYABLE AND ACCRUALS

	2011	2010
Trade Payables	4,981,167	5,201,484
Sundry Payables, Provisions and Accruals	<u>3,684,488</u>	<u>3,252,461</u>
TOTAL	<u>\$8,665,655</u>	<u>\$8,453,945</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

7 TAXATION

STATEMENT OF FINANCIAL POSITION

Taxation in the Statement of Financial Position comprises the following:

	2011	2010
Provision for Taxation - Current Year	<u>\$580,640</u>	<u>\$1,649,916</u>

STATEMENT OF INCOME

The Taxation charge in the Statement of Income comprises the following:

Provision for charge on Current Profits	2,535,669	4,297,156
Deferred Tax (Note 13)	<u>633,985</u>	<u>75,243</u>
	3,169,654	4,372,399
Associated Companies (Note 9)	<u>508,774</u>	<u>642,679</u>
TOTAL	<u>\$3,678,428</u>	<u>\$5,015,078</u>

The group's effective tax rate of 38.4% (2010 = 34.7%) differs from the Statutory rate of 35% as follows:

	2011	2010
Profit before taxation	<u>\$9,578,212</u>	<u>\$14,438,591</u>
Taxes at statutory rate of 35%	3,352,374	5,053,507
Tax effect of expenses not deductible in determining taxable profits	415,572	278,916
Tax effect of income not assessable for taxation	(236,885)	(306,424)
Tax effect of Depreciation on non qualifying assets	133,675	107,154
Other	<u>13,692</u>	<u>(118,075)</u>
TOTAL	<u>\$3,678,428</u>	<u>\$5,015,078</u>

All income tax assessments up to and including the year of assessment 2011/10 have been examined and agreed by the Comptroller of Inland Revenue and the taxes duly paid.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

8 INTANGIBLES

	2011	2010
Software - brought forward (See Note 2(p))	48,471	38,427
Additions	-	10,044
Software - carried forward	<u>48,471</u>	<u>48,471</u>
Accumulated Amortisation – brought forward	40,316	20,147
Amortisation	6,647	20,169
Accumulated Amortisation – carried forward	<u>46,963</u>	<u>40,316</u>
NET BOOK VALUE	<u>\$1,508</u>	<u>\$8,155</u>

9 INVESTMENT IN ASSOCIATED COMPANIES

	2011	2010
	\$	\$
Original cost of investments	3,048,436	3,048,436
Increase in equity over cost from acquisition to the end of previous year	9,905,984	8,857,274
	<u>12,954,420</u>	<u>11,905,710</u>
Capital reserve reduction	(65,286)	(60,189)
Share of net income less dividends received from Associated Companies (see below)	294,625	1,108,899
Balance at End of Year	<u>\$13,183,759</u>	<u>\$12,954,420</u>

Share of net income less dividends received for the year is made up as follows:

	2011	2010
Share of income before taxation	2,093,489	2,730,121
Taxation (Note 7)	(508,774)	(642,679)
	1,584,715	2,087,442
Dividends received	(1,290,090)	(978,543)
TOTAL (As Above)	<u>\$294,625</u>	<u>\$1,108,899</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

9 INVESTMENT IN ASSOCIATED COMPANIES (cont'd)

The Group's share of the results of its associates, all of which are unlisted, and its share of the net assets are as follows:

	2011	2010 (Restated)
	\$	\$
Assets	17,003,373	16,399,312
Liabilities	3,819,614	3,444,892
Revenue	14,571,037	17,030,564
Profit before Tax	2,093,489	2,730,121

10 AVAILABLE-FOR-SALE INVESTMENTS

	2011	2010
Quoted Securities	634,966	668,009
Unquoted Securities	50,001	100,000
TOTAL	<u>\$684,967</u>	<u>\$768,009</u>

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings - at cost/ Valuation	Plant, Vehicles and Other Assets - at cost	Capital Work- in-Progress - at cost	Total
Year Ended 30 September 2011				
Cost/Valuation - Beginning of Year	72,331,243	19,978,213	6,725,091	99,034,547
Additions	2,047,745	2,763,792	8,499,159	13,310,696
(Disposals)	-	(2,771,588)	-	(2,771,588)
Cost/Valuation - End of Year	<u>74,378,988</u>	<u>19,970,417</u>	<u>15,224,250</u>	<u>109,573,655</u>
Accumulated Depreciation -				
Brought Forward	735,043	13,145,879	-	13,880,922
Charge	706,762	2,122,231	-	2,828,993
(Disposals)	-	(2,367,720)	-	(2,367,720)
Accumulated Depreciation	<u>1,441,805</u>	<u>12,900,390</u>	<u>-</u>	<u>14,342,195</u>
Carrying Amount - 2011	<u>\$72,937,183</u>	<u>\$7,070,027</u>	<u>\$15,224,250</u>	<u>\$95,231,460</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

II PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land & Buildings - at cost/ Valuation	Plant, Vehicles and Other Assets - at cost	Capital Work- in-Progress - at cost	Total
Year Ended 30 September 2010				
Cost/Valuation - Beginning of Year	49,277,633	20,314,637	835,546	70,427,816
Additions	354,221	1,570,992	5,889,545	7,814,758
Revaluation	23,840,134	-	-	23,840,134
(Disposals)	<u>(1,140,745)</u>	<u>(1,907,416)</u>	<u>-</u>	<u>(3,048,161)</u>
Cost/Valuation - End of Year	<u>72,331,243</u>	<u>19,978,213</u>	<u>6,725,091</u>	<u>99,034,547</u>
Accumulated Depreciation - Brought Forward	4,039,743	12,186,369	-	16,226,112
Charge	724,151	2,196,817	-	2,920,968
Revaluation	(4,003,883)	-	-	(4,003,883)
(Disposals)	<u>(24,968)</u>	<u>(1,237,307)</u>	<u>-</u>	<u>(1,262,275)</u>
Accumulated Depreciation Carried Forward	<u>735,043</u>	<u>13,145,879</u>	<u>-</u>	<u>13,880,922</u>
Carrying Amount - 2010	<u>\$71,596,200</u>	<u>\$6,832,334</u>	<u>\$6,725,091</u>	<u>\$85,153,625</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Leasehold Lands at Pond's Industrial Site

The lands which had been leased from the Government, were purchased during the year under review.

Revaluation:

The majority of group's lands and buildings were revalued in July 2009 to amounts which approximated current market values. The revalued amounts were incorporated in these financial statements at 1 October 2009. The surplus on revaluation in the amount of \$27,844,017 was placed in Capital Reserves and made up as follows:

Lands and buildings – At Cost/Valuation	48,845,604
Accumulated Depreciation - At 30 September 2009	<u>(4,003,883)</u>
	44,841,721
Revaluation	<u>72,685,738</u>
SURPLUS ON REVALUATION	27,844,017
Less: Reserve on property Disposed of	<u>(609,422)</u>
	27,234,595
Less: Related Costs	<u>(55,607)</u>
NET REVALUATION RESERVE	<u>\$27,178,988</u>

Additions subsequent to revaluation are stated at cost

12 SHARE CAPITAL

	2011	2010
Authorised		
50,000,000 Ordinary Shares of \$1 each		
Issued and Fully Paid		
30,148,430 Ordinary Shares of \$1 each	<u>\$30,148,430</u>	<u>\$30,148,430</u>

A dividend of 10% (2010 = 11%) per ordinary share (amounting to $\$3,014,843/2010 = \$3,316,327$) in respect of 2011 has been proposed by the Directors. The Financial Statements for the year ended 30 September 2011 do not reflect this proposed dividend which, if ratified, will be accounted for in equity as an appropriation of retained earnings in the year ending 30 September 2012.

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

13 DEFERRED TAX LIABILITY

	2011	2010
Deferred Tax Liability (Net) – at beginning of year	5,250,862	2,113,901
Deferred Tax (Note 7)	633,985	75,243
Deferred Tax – Revaluation	-	3,061,718
Deferred Tax Liability (Net) – at end of year	<u>\$5,884,847</u>	<u>\$5,250,862</u>
Deferred Tax Liability (Net) comprises the following:		
Deferred Tax Asset	(239,743)	-
Deferred Tax Liability	<u>6,124,590</u>	<u>5,250,862</u>
	<u>\$5,884,847</u>	<u>\$5,250,862</u>
Deferred Tax Asset comprises:		
- Unutilised Capital Allowances	<u>\$239,743</u>	-
Deferred Tax Liability comprises:		
- Accelerated Capital Allowances	<u>\$6,124,590</u>	<u>\$5,250,862</u>

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year by the number of ordinary shares in issue during the year.

	2011	2010
Net Income for the Year	<u>\$5,899,784</u>	<u>\$9,423,513</u>
Number of shares in issue during the year	<u>30,148,430</u>	<u>30,148,430</u>
Basic earnings per share	<u>\$0.20</u>	<u>\$0.31</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

15 CONTINGENT LIABILITIES

Parent Company:

a) Unfunded Pension:

The Company is contingently liable for unfunded pension liabilities to certain retired employees in accordance with the Company's agreement to pay such pension. The amount of the liability has not been actuarially quantified.

b) Guarantees:

The Company has given guarantees to First Caribbean International Bank, St Kitts, Bank of Nova Scotia and Royal Bank of Canada as collateral for overdraft facilities of up to \$3,015,000 (2010 = \$3,015,000) for its Subsidiary Companies, Ocean Cold Storage (St Kitts) Limited and S L Horsford Finance Company Limited.

c) Letters of Credit:

At the year end, the company had outstanding letters of credit totalling \$448,820 (2010 = \$268,820).

d) Legal Claims:

Parent Company:

Counsel has advised that at 30 September 2011 there were no claims pending against the company (2010 = Nil).

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

16 RELATED PARTY TRANSACTIONS

1. The following transactions were carried out with associated parties during the year:

	2011	2010
	\$	\$
i) Sales of goods and services	4,316,760	3,598,146
ii) Purchases of goods and services	4,785,118	6,256,017
iii) Management fees	28,800	28,800
iv) Dividends received	1,290,090	978,543
2. Compensation of key management personnel of the Company and its subsidiaries:		
Short-term employee benefits and retirement contributions	<u>\$973,086</u>	<u>\$1,041,998</u>
3. Balances due to/from Related Parties		
Due from Associated Companies	\$390,613	\$89,487
Due from Directors	\$41,042	\$59,426
Due to Associated Companies	\$248,320	\$513,575

17 DETAILS OF SUBSIDIARY AND ASSOCIATED COMPANIES

Subsidiary Companies	Principal Activities	Interest held in the Equity %
Marshall Plantations Limited	Investments	100
Ocean Cold Storage (St Kitts) Limited	Food Distribution (Wholesale)	100
S L Horsford Finance Company Limited	Car Rentals, Car Sales and Insurance Agency	100
S L Horsford Shipping Limited (previously S L Horsford Motors Limited)	Shipping Agency	100
S L Horsford Nevis Limited	Retail activities and related services	100
Associated Companies		
St Kitts Developments Limited	Land Development	30.0
St Kitts Masonry Products Limited	Concrete and Related Products	50.0
Carib Brewery (St Kitts & Nevis) Limited	Manufacturers of Beer and non-alcoholic Beverages	20.1

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

18 FINANCIAL INSTRUMENTS

a) Interest Rate Risk:

Interest rates and terms of borrowing are disclosed in Note 5.

b) Credit Risk:

The group sells products and provides services to customers primarily in St Kitts-Nevis. The Group performs on-going credit evaluation of its customers and counterparties and provisions are made for potential credit losses.

c) Fair Values:

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash and bank balances, accounts receivable, investments, accounts payable, loans and long-term liabilities.

d) Currency Risk:

Substantially all of the Group's transactions and assets and liabilities are denominated in Eastern Caribbean Dollars or United States Dollars. Therefore, the Group has no significant exposure to currency risk.

e) Liquidity Risk:

Liquidity risk is the risk that the group will be unable to meet its obligations when they fall due under normal circumstances. The group monitors its liquidity risk by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. The group utilises surplus internal funds and available credit facilities such as loans and overdrafts to finance its operations and ongoing projects.

The following table summarises the maturity profile of the Group's financial liabilities and assets at 30 September 2011:

Financial Liabilities:**Year ended 30 September 2011**

	Due within 1 Year	>1 year to 5 years	Over 5 years	Total
Overdrafts	4,975,482	-	-	4,975,482
Loans	17,982,073	8,317,381	4,483,760	30,783,214
Accounts payable and accruals	8,665,655	-	-	8,665,655
	<u>\$31,623,210</u>	<u>\$8,317,381</u>	<u>\$4,483,760</u>	<u>\$44,424,351</u>

FOR THE YEAR ENDED 30 SEPTEMBER 2011 (Expressed in Eastern Caribbean Dollars)

18 FINANCIAL INSTRUMENTS (cont'd)

e) Liquidity Risk (cont'd):

Financial Liabilities (cont'd):**Year ended 30 September 2010**

	Due within 1 Year	>1 year to 5 years	Over 5 years	Total
Overdrafts	275,627	-	-	275,627
Loans	15,350,530	10,926,592	4,754,757	31,031,879
Accounts payable and accruals	8,453,945	-	-	8,453,945
	<u>\$24,080,102</u>	<u>\$10,926,592</u>	<u>\$4,754,757</u>	<u>\$39,761,451</u>

Financial Assets:**Year ended 30 September 2011**

	Due within 1 Year	>1 year to 5 years	Over 5 years	Total
Cash with bankers and in hand	299,755	-	-	299,755
Accounts Receivable	12,424,403	11,687,491	-	24,111,894
Investments	-	-	13,868,726	13,868,726
	<u>\$12,724,158</u>	<u>\$11,687,491</u>	<u>\$13,868,726</u>	<u>\$38,280,375</u>

Year ended 30 September 2010

Cash with bankers and in hand	1,650,929	-	-	1,650,929
Accounts Receivable	11,539,928	14,199,515	-	25,739,443
Investments	-	-	13,722,429	13,722,429
	<u>\$13,190,857</u>	<u>\$14,199,515</u>	<u>\$13,722,429</u>	<u>\$41,112,801</u>

19 CAPITAL COMMITMENT

At year end, the Parent Company was committed to the completion of the construction of a supermarket and shopping complex at Baths, Nevis and the purchase of equipment in the total approximate amount of \$2.1 million (2010 = \$7.5 million).

