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17. 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, short-term deposits, accounts receivable, 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 and United States Dollars. Therefore, the Group has no significant exposure to currency risk.

**TDC GROUP OF COMPANIES
SUBSIDIARY COMPANIES**

(Wholly-owned and resident in St. Kitts-Nevis except where otherwise stated)

GENERAL TRADING:
TDC Nevis Ltd

RENTAL AND HIRE PURCHASE:

TDC Rentals Ltd
TDC Rentals (Nevis) Ltd

INSURANCE AND REINSURERS:
St. Kitts Nevis Insurance Co Ltd (SNIC)
SNIC (Nevis) Ltd
East Caribbean Reinsurance Co Ltd - (80%) - Anguilla

FINANCE:
St. Kitts Nevis Finance Co Ltd (FINCO)
Mercator Caribbean Trust Company Ltd - (51%)

AIRLINE AGENTS AND TOUR OPERATORS:
TDC Airline Services Ltd
TDC Airline Services (Nevis) Ltd
TDC Tours Ltd

REAL ESTATE DEVELOPMENT:
TDC Real Estate and Construction Ltd
Conaree Estates Ltd
Dan Dan Garments Ltd

HOTEL OPERATOR:
Ocean Terrace Inn Ltd
OTI Pieces of Eight Ltd
Pelican Cove Marina Ltd } 91.88%

SHIPPING SERVICES:
Sakara Shipping NV- Tortola, BVI

ASSOCIATED COMPANIES:
(Holding between 20% and 50%)

BLOCK MANUFACTURING AND READY MIX CONCRETE
St. Kitts Masonry Products Ltd - 50%

MANUFACTURERS OF AERATED BEVERAGES
St. Kitts Bottling Co Ltd
Antillean Beverages Ltd } 43.5%

INSURERS:
Malliouhana Anico Insurance Co Ltd - 25% (Anguilla)

HOTEL DEVELOPMENT
Cable Bay Hotel Development Co Ltd - 25%

DIRECTORS

Dennis Michael Arthur Morton
Chairman, Executive Director

Austin Vincent DaSilva
Executive Director

Nicolas Narayan Menon, B.Sc., M.B.A
Executive Director

Earle Austin Kelly, B.A., M.B.A.
Finance Director

Marcus Ivan Hodge, E.M.B.A.
Executive Director

Basil Michael Lynch King, O.B.E., C.S.M.
Management Consultant

Jacques Augustine Copel Cramer
Marketing Consultant

Charles Lucien Arthur Wilkin, Q.C., M.A. (Cantab)
Legal Counsel

Myrna Rosina Walwyn, B.Sc., M.A., Dip. Law
Legal Counsel

Clive Elton Ramus Ottley, M.B., B.S., (Lond)
F.R.C.O.G.

Kenneth Norman Kelly

SECRETARY

Maritza Simone Bowry, B.Sc, M.B.A

AUDITORS

Pannell Kerr Forster
Chartered Accountants
North Independence Square
Basseterre, St. Kitts

BANKERS

First Caribbean International Bank (Barbados)
Ltd.
The Circus, Basseterre, St. Kitts

St. Kitts Nevis Anguilla National Bank Ltd.
Central Street, Basseterre, St. Kitts

Royal Bank of Canada
The Circus, Basseterre, St. Kitts

The Bank of Nova Scotia
Fort Street, Basseterre, St. Kitts

REGISTERED OFFICE

Fort Street, Basseterre, St. Kitts

14. CONTINGENT LIABILITIES AND COMMITMENTS

- a) The Company is committed for calls on the unpaid portion of shares in its wholly-owned subsidiary, St. Kitts Nevis Insurance Company Limited, in the amount of \$500,000 (2002=\$500,000) and \$70,000 in respect of TDC Tours Limited (2002=\$70,000);
- b) At 31st January 2003, the Parent Company guaranteed bank loans and overdrafts on behalf of subsidiary companies totaling \$10,045,830 (2002=\$10,815,000);
- c) At 31st January 2003, commitments in respect of open Letters of Credit established in the normal course of business amounted to \$ 8,090,501(2002=\$4,278,902);
- d) The Company is committed to investment in the Cable Bay Hotel Development project in the amount of \$7,290,000.

15. TDC REAL ESTATE AND CONSTRUCTION LIMITED

Leeward Cove Condominium Project

This subsidiary company completed the construction of thirty-four condominium units for sale. The company has been granted duty free concessions and income tax holiday for this project as set out hereunder:

- 1. Duty free importation of building materials, furniture, fixtures and equipment.
- 2. A ten year tax holiday in respect of the Leeward Cove Condominium Project.

16. FINANCIAL INFORMATION BY SEGMENT

SEGMENT	REVENUE		PRE-TAX PROFIT	
	2003	2002	2003	2002
General Merchants and Shipping	77,332,165	76,866,643	3,502,241	2,956,140
Insurance and Finance	12,447,126	11,839,260	1,389,099	1,565,280
Rentals, Airlines Agencies and Hotel Operations	16,573,128	18,045,916	1,237,255	362,256
Real Estate Development and Property	<u>3,266,493</u>	<u>992,872</u>	<u>453,852</u>	<u>54,198</u>
	<u>\$109,618,912</u>	<u>\$107,744,691</u>	<u>\$6,582,447</u>	<u>\$ 4,937,874</u>

SEGMENT	ASSETS		LIABILITIES	
	2003	2002	2003	2002
General Merchants and Shipping	96,315,564	90,804,192	59,207,718	45,580,629
Insurance and Finance	54,094,789	49,068,577	53,801,308	50,444,620
Rentals, Airlines Agencies and Hotel Operations	27,972,314	27,507,814	12,213,662	23,463,781
Real Estate Development and Property	<u>5,505,048</u>	<u>7,873,555</u>	<u>255,266</u>	<u>630,868</u>
	<u>\$183,887,715</u>	<u>\$175,254,138</u>	<u>\$125,477,954</u>	<u>\$120,119,898</u>


SEGMENT	ADDITIONS TO FIXED ASSETS		DEPRECIATION	
	2003	2002	2003	2002
General Merchants and Shipping	5,821,495	5,316,340	1,551,330	1,684,783
Insurance and Finance	147,789	399,969	181,401	164,787
Rentals, Airlines Agencies and Hotel Operations	2,381,209	1,792,829	1,421,810	1,762,136
Real Estate Development and Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$8,350,493</u>	<u>\$7,509,138</u>	<u>\$3,154,541</u>	<u>\$ 3,611,706</u>

Notice is hereby given that the Thirtieth Annual General Meeting of the St Kitts Nevis Anguilla Trading and Development Company Limited will be held at the Pereira Conference Room, Ocean Terrace Inn, Basseterre, St. Kitts, on Thursday, May 29, 2003 at 5:00 p.m.

AGENDA

1. To receive the Report of the Directors
2. To receive and consider the Accounts for the year ended 31st January 2003
3. To declare a final Dividend
4. To elect Directors to replace those retiring by rotation
5. To appoint Auditors and to authorise the Directors to fix their remuneration for the ensuing year
6. To consider an increase in fees paid to Directors, from \$500 to \$1000 per month

BY ORDER OF THE BOARD


 Maritza S. Bowry
 Secretary
 April 22, 2003

The Transfer Books and Register of Members will be closed from 15 May to 29 May 2003 inclusive.

A member entitled to attend and vote is entitled to appoint one or more Proxies to attend, and on a poll to vote instead of him/her. A Proxy need not be a member of the Company.

10 SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
Authorised 5,000,000 Ordinary Shares of \$5 each	\$25,000,000	\$25,000,000
Issued and Allotted 5,000,000 Ordinary Shares of \$5 each	\$25,000,000	\$25,000,000

11 RESERVES

a) Capital

	<u>2003</u>	<u>2002</u>
Balance Brought Forward	2,398,197	577,634
Reserve on Revaluation of Property – Associated Companies	-	1,560,076
Reserve on Revaluation of Investments – Parent Company	-	220,599
Reserve/Goodwill on Consolidation	2,045,703	-
Increase / (Reduction) in Reserves in Subsidiaries and Associated Companies	(1,051)	30,852
Investment & related Expenses written off	-	(11,118)
Decrease in Bonus Shares – Received	-	(2,817)
Return on Investment	-	2,499
Increase in value of Investment in Associated Companies	<u>20,472</u>	<u>20,472</u>
	<u>4,463,321</u>	<u>2,398,197</u>

b) Retained Earnings

Balance Brought Forward	27,736,043	25,689,767
Retained Earnings capitalised - Subsidiary	(2,000,000)	-
Prior year adjustment – Subsidiary and Associated Companies	-	(13,498)
Transfers and Capital Redemption Fund	(20,472)	(20,472)
Profit Retained for the year	<u>3,230,869</u>	<u>2,080,246</u>
	<u>28,946,440</u>	<u>27,736,043</u>

TOTAL RESERVES \$33,409,761 \$30,134,240

12. EARNINGS PER ORDINARY SHARE

	<u>2003</u>	<u>2002</u>
Group Net Earnings per Ordinary Share		
Including Share of Earnings of Associated Companies	\$1.10	\$0.86
Excluding Share of Earnings of Associated Companies	\$1.08	\$0.72

Earnings per Ordinary Share are calculated by dividing the Net Income of the Group after taxation, but before extraordinary items, by the number of ordinary shares in issue at year-end.

13. INSURANCE AND OTHER FUNDS

	<u>2003</u>	<u>2002</u>
Insurance Funds	20,554,905	17,168,675
Employee Benefit Funds	1,842,033	1,521,223
Policyholders' Funds	<u>1,363,601</u>	<u>1,216,875</u>
TOTAL	<u>\$23,760,539</u>	<u>\$19,906,773</u>

In the midst of a continuing slowdown in the international economy, your Group has been able to reap the benefits of measures taken last financial year to reduce costs and to improve its efficiency and overall service and value to our customers. The thirtieth year of the Group's operations resulted in Net Income of \$5,480,869 after taxation and minority interests compared to \$4,080,246 last year.

An interim dividend of 4% was paid on December 1st 2002. The Board recommends a final dividend of 5% making your total dividend 9% for the year, amounting to \$2,250,000.

PERFORMANCE REVIEW

Our Trading Divisions had mixed results during the year. The Building Materials departments experienced declines in sales volume but due to tighter controls and lower purchasing costs produced good results. We achieved improved results both in sales revenue and net income from our automotive businesses due partly to better pricing from our suppliers and cheaper vehicle financing options available to consumers. Through improved sourcing and purchasing, the Home Centre experienced a significant improvement in sales and profitability. With the proposed amalgamation of the Home and Building Depots, we intend to build further on this platform in the forthcoming year. Our Shipping agencies generated higher revenues, from increased volumes handled. In Nevis, our principal, Tropical Shipping continues to be the dominant carrier.

Our insurance Company, St Kitts Nevis Insurance Company Ltd (SNIC) had a satisfactory year. Again, we were fortunate not to have any major loss events but reinsurance costs increased in the wake of the claims arising from the September 11th, 2001 events. The Company is actively pursuing opportunities regionally to diversify its portfolio.

SNIC has been retaining more of its risks by using its strong solvency position. However, we call on Government to maintain or increase the amount that can be set-aside in Catastrophe Reserves. This will assist SNIC and other local Companies in retaining more risks, thus lowering reinsurance costs. It is important to note that SNIC's reserves are held mainly in the form of local Treasury Bills and Government Bonds.

St Kitts Nevis Finance Company Ltd (FINCO) also had a good year in a very tough and competitive environment.

TDC Rentals and TDC Rentals (Nevis) Ltd, which conduct car rental and hire purchase businesses, had reasonable performances in spite of very aggressive competition in both types of their businesses. We anticipate that the expansion of the Tourism Sector will give a boost to our rental business on St Kitts and that the wider offering of merchandise at our new store in Nevis will boost the Hire Purchase business there.

Our Travel, Aircrafts Handling, Tours and Hotel businesses all experienced very difficult times overall, even though there were some improvements in the last quarter of the financial year. There are hopeful signs of increased airlift and growth in tourist arrivals, which would positively impact prospects in this sector. However, international instability could reverse this trend.

ASSOCIATED COMPANIES

St Kitts Bottling Company Limited continues to see its share of the local soft drinks market eroded, as the volume of imported brands grows and local competition increases. During the year, the Company launched its bottled water, branded Aqua Vita, which has experienced steady sales.

8. TRADE INVESTMENTS AT COST AND VALUATION (CONT'D)

In the opinion of the Directors the aggregate value of investments is not less than the book value.

9. FIXED ASSETS

	<u>TOTAL</u>	<u>LAND AND BUILDINGS</u>	<u>GENERAL EQUIPMENT</u>
Cost or Valuation - At Beginning of Year	100,910,104	65,726,983	35,183,121
Additions at Cost	8,350,493	4,781,153	3,569,340
Disposals/Transfers at Cost	<u>(3,405,647)</u>	<u>(184,486)</u>	<u>(3,221,161)</u>
Cost or Valuation- At End of Year	<u>105,854,950</u>	<u>70,323,650</u>	<u>35,531,300</u>
Depreciation- At Beginning of Year	20,563,612	1,632,437	18,931,175
Depreciation Charge in Year	3,154,541	-	3,154,541
Depreciation on Disposals	<u>(2,304,633)</u>	-	<u>(2,304,633)</u>
Depreciation- At End of Year	<u>21,413,520</u>	<u>1,632,437</u>	<u>19,781,083</u>
Net Book Value- 31 January 2003	<u>\$84,441,430</u>	<u>\$68,691,213</u>	<u>\$15,750,217</u>
Net Book Value – 31 January 2002	<u>\$80,346,492</u>	<u>\$64,094,546</u>	<u>\$16,251,946</u>

Revaluation of Freehold and Leasehold Properties:

The Parent and Subsidiary Companies' Freehold and Leasehold Properties were independently revalued in January 1995 by Cooper Kauffman Limited, Professional Valuers, and have been included in these accounts at \$30,500,000. The surplus arising on revaluation has been credited to Capital Reserves.

Two (2) parcels of leasehold land on which there are buildings of a subsidiary company have been leased from Government for periods of 50 years effective 1982 and 1985 respectively.

Capital Work in Progress:

Work is in progress at Frigate Bay Road, Basseterre, to accommodate an integration of the Home Centre with the Building Materials Department with increased warehousing and retailing space.

St Kitts Masonry Products Ltd experienced a loss for its last financial year. Its operations continue to be negatively impacted by the unavailability of suitable local raw materials, resulting in importation at very high costs. Our Company urges Government to take the steps necessary to make local raw materials available.

MAICO, our associate in Anguilla, has made a spectacular turnaround compared to 1996 when the Group invested in it and took over its day-to-day management. The Company has, this year, contributed significantly to the Group's performance. Its accumulated losses have been erased and it is expected that the Company will be in a position to pay a dividend to its shareholders effective from its next year-end, December 31st 2003.

CAPITAL EXPENDITURE

Construction of major merchandising and warehousing facilities at Pinneys, Nevis to accommodate the consolidation of the warehousing and retail operations of the Building Materials and Home Centre Departments and the relocation of the Automotive Division were completed and have added a new dimension to the Company's retail facilities on that island.

The work to facilitate a similar consolidation at Frigate Bay Road, St Kitts is well underway and will be completed shortly. This will permit redevelopment of the properties at Central Street and West Independence Square Street.

The Sands commercial/residential development has been attracting growing interest.

The Leeward Cove Condominiums development in Frigate Bay had 6 units remaining for sale, at year end.

EAST CARIBBEAN STOCK EXCHANGE (ECSE)

At our last Annual Meeting, the Board was authorised to list the Company's shares on the ECSE. The Board has decided to proceed with the listing in May 2003. The Company is fully prepared to meet the stringent standards of Corporate Governance required as a consequence of such listing.

SOCIAL CONTRIBUTION

The Group is totally committed to its policy of involvement in social development and nation building through active association with programs and organizations geared towards achieving improved standards in industry, education, sports and community development.

HUMAN RESOURCES

We believe that the Company's most valuable resource is its employees and as a result the Company continues to focus on their development at all levels. In addition to assisting employees currently pursuing studies at the undergraduate, graduate and diploma levels, we continue to develop and deliver training programmes in-house to ensure that employees keep abreast of the latest issues and techniques.

THE ECONOMY

The important tourism industry did not rebound from the impact of the events of 11th September 2001. The closure of Jack Tar Resort and the Frigate Bay Golf course together had very negative impacts on the tourism industry. Prospects for improvements appear good with the opening of the Royal St Kitts Marriott Resort, the establishment of the St Kitts Scenic Railway, and improved airlift. Growth of the economy is very dependant on this sector.

The recent announcement by American Eagle, of its intention to commence service to Nevis will be a boost for that island's tourism industry and is most welcome.

8. TRADE INVESTMENTS AT COST AND VALUATION (CONT'D)

	<u>2003</u>	<u>2002</u>
Brought Forward	1,287,249	1,112,249
EASTERN CARIBBEAN HOME MORTGAGE BANK 1,064 Class D Shares of \$100 each - At Cost	106,400	106,400
10 Year Bonds - At Cost	450,000	450,000
TRU SERV CORPORATION 332 Units of Common Stock at US\$100 each - At Valuation	89,793	89,793
FORTRESS CARIBBEAN PROPERTY FUND LTD 400,000 ordinary Shares of Bds \$1 each - At Cost	567,000	567,000
BANKS BARBADOS BREWERIES LTD 3,300 Ordinary Shares of Bds \$1 each - At Cost	501	501
NATIONAL BANK OF ANGUILLA 5,000 Shares of no par value - At Cost	202,500	202,500
Fixed Deposits (medium term)	2,709,254	1,350,000
CARIBBEAN COMMERCIAL BANK (Anguilla) Ltd Fixed Deposits (medium term)	1,432,384	810,000
EASTERN CARIBBEAN SECURITIES EXCHANGE 10,000 Class D Shares of \$10 each fully paid (50% paid up - 2002) At Cost	100,000	50,000
FEDERATION MEDIA GROUP - Fully paid up 1,000 Ordinary Shares of \$100 - At Cost	100,000	100,000
DO-IT-BEST Corp 20 Common Shares of US\$50 each - At cost	2,700	-
HOUSING DEVELOPMENT PROJECT - At cost	80,428	-
GOVERNMENT OF ST KITTS NEVIS BONDS - At cost	2,000,000	-
FIRST CARIBBEAN INTERNATIONAL BANK LTD 100,000 shares of no par value - At Cost	284,000	-
CARIBBEAN SHOE MANUFACTURERS LTD (Inactive) 175 Ordinary Shares of \$1,000 each	1	1
CARIBBEAN INVESTMENTS CORPORATION 40 Ordinary Shares of \$100 each (in liquidation)	1	1
Subtotal	<u>9,412,211</u>	<u>4,838,445</u>
TOTAL TRADE INVESTMENTS	<u>\$15,704,265</u>	<u>\$10,939,391</u>

Associated Companies

Investments in Associated Companies are accounted for on the equity basis as represented in the latest Financial Statements, which for two Companies was the year ended 30 June 2002 and for one company was the year ended 31 December 2002.

Other Investments

The investments in Caribbean Investments Corporation, and Caribbean Shoe Manufacturers Limited have been written down to a nominal value of \$1 each since no further material return is anticipated.

Despite the Federation's removal from the "blacklists" of the OECD and FATF, the offshore financial services sectors (both St Kitts and Nevis) have not made the anticipated recovery and several providers have left our jurisdictions and show no intention to return, any time soon.

STATUTORY REPORT

The Directors have pleasure in submitting their report and Audited Accounts for the year ended January 31,2003

	2003	2002
Profit for the year after providing Taxation	\$5,480,869	\$4,080,246
The Board recommends a total dividend of 9% free of tax (2002 – 8%)	<u>\$2,250,000</u>	<u>\$2,000,000</u>
Retained Earnings	<u>\$3,230,869</u>	<u>\$2,080,246</u>

In accordance with Article 99 of the Articles of Association Messrs M L King, M I Hodge, K N Kelly and Mrs M Walwyn retire and being eligible, offer themselves for reappointment, except for Mr Hodge who has decided not to seek re-election. Mr Hodge has also resigned as an Executive Director of the Group.

The Board wishes to express its appreciation to Mr. Hodge for his contribution to the development of the Group. He served the Company from its inception in 1973 and prior to that, H.F Wildy and Co. Ltd., one of the companies taken over by TDC. His association will continue through his directorship of the subsidiaries registered in Nevis.

CONCLUSION

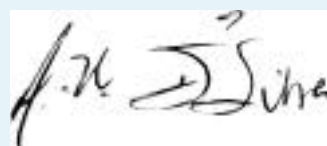
In closing, the Board wishes to thank all employees for their unwavering loyalty and commitment and solicit their continued support as we confront the challenges of the next thirty (30) years and beyond. We also take this opportunity to thank all our shareholders for their confidence in us, and our valued customers for their patronage, because it is only through these stakeholders that we can be true to our motto:

**TDC for Service
TDC for Quality
TDC your Company**



D Michael Morton
Chairman

DMM/AVD/SIs



Director

7. PROVISION FOR TAXATION

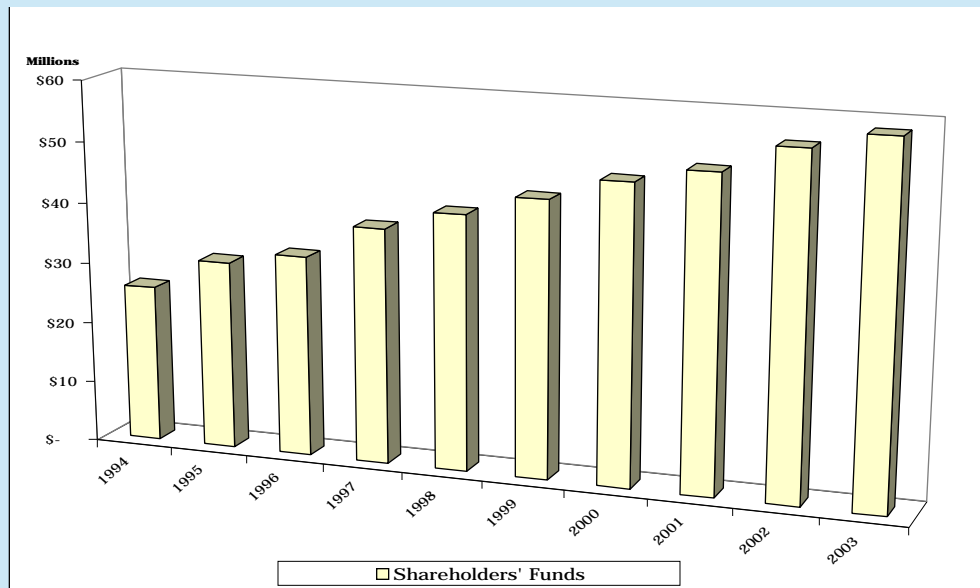
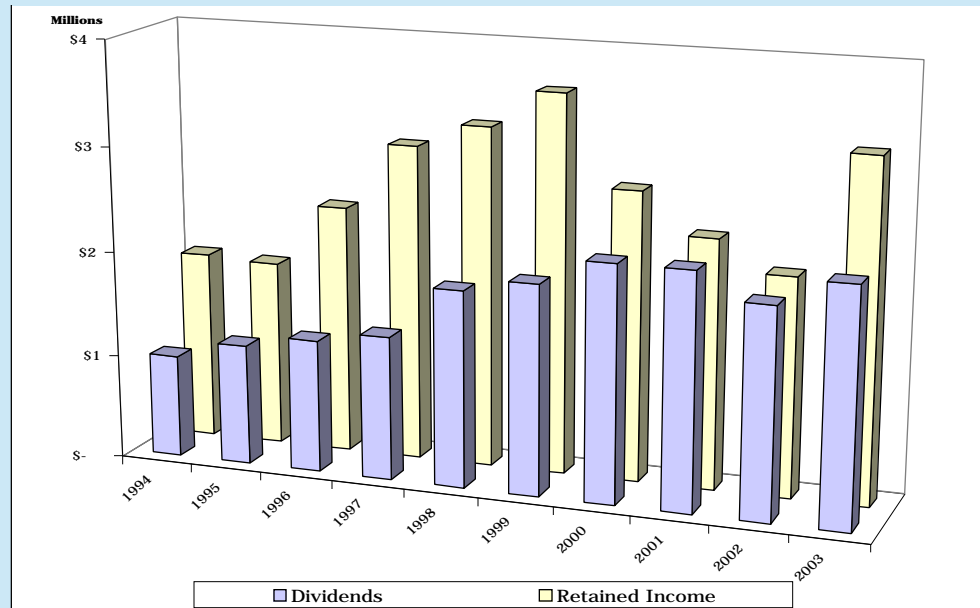
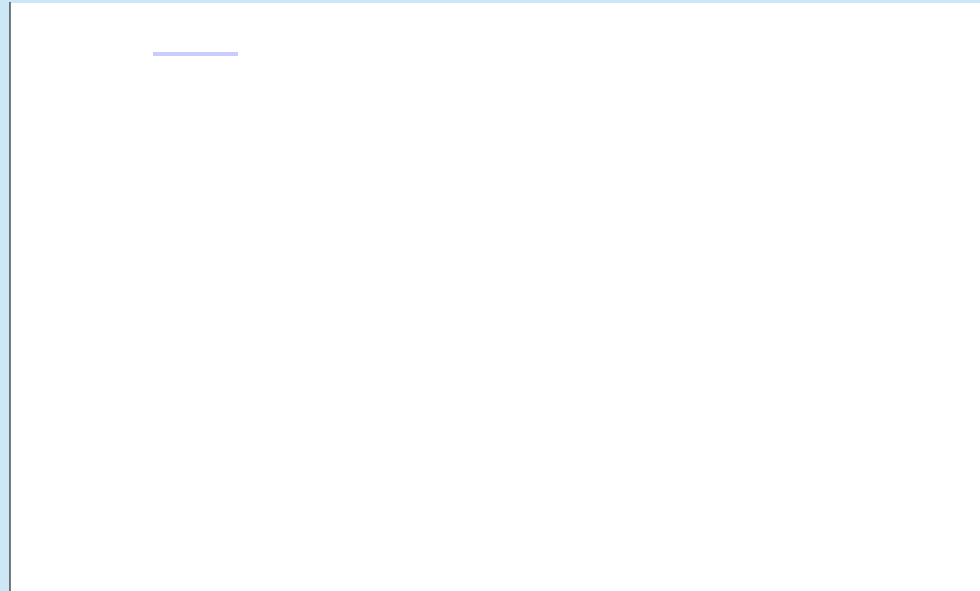
	2003	2002
Provision for Taxation		
-Current Year	1,315,593	1,458,636
-Previous Year	<u>968,428</u>	<u>1,152,815</u>
TOTAL	<u>\$2,284,021</u>	<u>\$2,611,451</u>
The Charge in the Profit and Loss Account comprises the following:		
Provision for Taxation	1,315,593	1,458,636
Sundry under/(over) provisions	<u>(20,864)</u>	<u>8,155</u>
TOTAL	<u>\$1,294,729</u>	<u>\$1,466,791</u>

Tax losses available to certain Group companies for set off against future profits of those companies amount to approximately \$105,400 (2002 - \$33,125)

8. TRADE INVESTMENTS AT COST AND VALUATION

a) Associated Companies	2003	2002
ST KITTS MASONRY PRODUCTS LTD		
6,500 Ordinary shares of \$100 each - At Valuation	2,684,554	3,024,021
ST KITTS BOTTLING COMPANY LTD		
86,611 ordinary Shares of \$5 each -At Valuation	1,610,024	1,562,824
CABLE BAY HOTEL DEVELOPMENT CO LTD		
3,500 (2002= 3,000) Shares of US\$100 each - At Cost	945,000	810,000
Deposit on Shares	110,417	-
MALLIOUHANA - ANICO INSURANCE CO.LTD		
81,375 Shares of \$10 each - At Valuation	<u>942,059</u>	<u>704,101</u>
Sub-total	<u>6,292,054</u>	<u>6,100,946</u>
b) Other Investments		
ST.KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD		
500,000 (2002= 150,000) Ordinary Shares of \$1 each - At valuation	500,000	150,000
Deposit on 350,000 shares of \$1 each - 50% paid up	-	175,000
CARIB BREWERY (ST.KITTS & NEVIS) LTD.		
333,000 Ordinary Shares of \$1 each - At Cost	516,151	516,151
THE BANK OF NEVIS LTD		
37,490 (Ordinary Shares of \$10 each - At valuation	103,098	103,098
CABLE AND WIRELESS ST.KITTS-NEVIS LTD.		
126,000 Shares of \$1 each - At Cost	<u>168,000</u>	<u>168,000</u>
Carried Forward	1,287,249	1,112,249

GROUP FINANCIAL



YEAR TO 31 ST JAN	INTEREST NET	DEPRECIATION	PRE-TAX PROFIT	CORPORATION TAX	DIVIDENDS	RETAINED INCOME	SHARE HOLDERS FUNDS
1994	1,097,101	1,806,250	4,343,287	1,563,750	977,500	1,802,037	25,820,223
1995	1,032,393	2,280,503	4,740,017	1,817,174	1,150,000	1,772,843	31,021,889
1996	1,140,144	2,653,177	5,471,399	1,834,171	1,265,000	2,372,228	32,995,197
1997	1,434,539	3,248,412	6,588,516	2,169,400	1,368,750	3,012,483	38,615,080
1998	2,402,696	3,469,066	7,179,728	2,213,103	1,875,000	3,242,576	41,876,271
1999	3,628,658	3,977,700	8,131,604	2,368,280	2,000,000	3,598,591	45,216,808
2000	2,999,387	4,392,109	7,459,836	2,313,340	2,250,000	2,752,254	48,856,869
2001	3,619,050	4,057,866	6,566,931	1,840,444	2,250,000	2,367,648	51,267,401
2002	2,473,208	3,611,706	5,660,804	1,699,755	2,000,000	2,080,246	55,134,240
2003	1,241,355	3,154,541	6,824,151	1,446,386	2,250,000	3,230,869	58,409,761

o) Foreign Currencies:

All amounts are stated in Eastern Caribbean Dollars. Transactions during the year between the Group and its customers and suppliers are converted into local currencies at the rates of exchange ruling at the dates of the transactions. Differences arising there from are reflected in the current year's results. Assets and liabilities in foreign currencies are translated into Eastern Caribbean Dollars at the rates of exchange prevailing at the balance sheet date.

p) Taxation:

Taxation is provided for under the taxes payable method. No account is taken of Deferred Taxation because, in the opinion of the Directors, the application of such a method has limited significance in the context of taxation legislation and company law requirements in St Kitts-Nevis. This method is not in accordance with the International Accounting Standards.

q) Turnover:

Turnover comprise sales to third parties, commissions and gross general insurance premiums.

r) Goodwill:

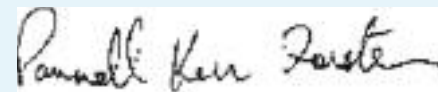
The cost of goodwill represents the excess of the purchase price over the net book value of the assets acquired at the date of purchase. Goodwill is written off over the period determined by the Directors.

TO THE MEMBERS OF
ST KITTS NEVIS ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED

We have examined the Balance Sheet of the Group as at 31st January 2003 and the related Profit and Loss Account and Statement of Cash Flows for the year then ended. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform an audit to obtain reasonable assurance that the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of the Group at 31st January 2003 and the results of its operations and its cash flows for the year then ended, in accordance with International Accounting Standards except as disclosed in Note 2 (n) to the Financial Statements.



PANNELL KERR FORSTER

Chartered Accountants
Basseterre
St Kitts - West Indies

April 22, 2003

g) Premium Income:

Premium income is accounted for in these Accounts when written. This corresponds in the main to the date the insurance cover becomes effective. Any subsequent revisions to or cancellations of premiums are accounted for in the year during which these occur.

h) Underwriting Profits:

Underwriting profits are on general insurance business stated after setting off reinsurance premiums and after making adequate provisions for unearned premiums, unexpired risks, outstanding claims and claims equalisation reserve.

i) Provisions for Unearned Premiums:

Provisions for unearned premiums represent the proportions of the premiums written in the period less reinsurance thereon which relate to periods of insurance subsequent to the balance sheet date and have been computed on a monthly pro rata fractional basis (the "24th's" method).

j) Provisions for unexpired risks:

Provisions for unexpired risks represent amounts set aside at the end of the year in respect of subsequent risks to be borne by the Company under contracts of insurance in force at the end of the year and have been computed as a percentage of the unearned premiums.

k) Outstanding Claims:

Outstanding claims comprise the estimated cost of all claims incurred but not settled at the balance sheet date, less recoveries from reinsurers. Provision is also made for claims incurred but not reported until after the balance sheet date. Differences between the provisions for outstanding claims and subsequent settlements and revisions are included in the revenue statements in the year the claims are settled.

l) Claims Equalisation Reserve:

Claims Equalisation Reserve represents annual transfers from gross premiums on fire, motor and miscellaneous business deemed necessary by the Directors to provide for unforeseen risks and catastrophes, in keeping with standard practice in the insurance industry.

m) Fixed Assets:

The Freehold and Leasehold properties were independently and professionally revalued in January 1995 at market values prevailing at that date. Properties acquired after that date have been stated at cost. Surpluses on revaluation have been taken directly to Capital Reserve. Other fixed assets are stated at cost less related accumulated depreciation.

n) Depreciation of Fixed Assets:

Depreciation is provided for at varying annual rates calculated to write off the cost of fixed assets other than Freehold and Leasehold Properties over their expected useful lives. It is the Group's policy not to provide for depreciation on the majority of its Freehold and Leasehold Properties because, in the opinion of the Directors, these assets are constantly repaired and adequately maintained in good condition and any depreciation, which may be required, would not be material. This policy, however, is not in accordance with International Accounting Standard No .16.

**GROUP CONSOLIDATED
PROFITAND LOSS ACCOUNT**
For the year ended 31 Jan 2003

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JAN 2003

	NOTES	2003	2002
TURNOVER		\$109,618,912	\$107,744,691
OPERATING PROFIT		6,438,260	4,807,275
(After charging all Expenses including the following)			
Directors' Fees		272,036	240,113
Interest (Net)		1,241,355	2,473,208
Auditors' Remuneration		248,000	248,000
Depreciation		3,154,541	3,611,706
		\$4,915,932	\$6,573,027
DIVIDENDS RECEIVED (Free of Tax)		144,187	130,599
PROFIT BEFORE TAXATION			
Parent Company and Subsidiaries		6,582,447	4,937,874
Share of Profits of Associated Companies		241,704	722,930
		6,824,151	5,660,804
PROVISION FOR TAXATION			
Parent Company and Subsidiaries	7	1,294,729	1,466,791
Associated Companies		151,657	232,964
		1,446,386	1,699,755
PROFIT AFTER TAXATION		5,377,765	3,961,049
Minority Interest - Loss		103,104	119,197
Profit attributable to Shareholders		5,480,869	4,080,246
DIVIDENDS - Paid and Proposed - 9% (2002 - 8%)		2,250,000	2,000,000
BALANCE CARRIED TO RETAINED EARNINGS	11	\$3,230,869	\$2,080,246

The attached Notes form part of these Accounts

1. PRINCIPAL ACTIVITIES

St Kitts Nevis Anguilla Trading and Development Company Limited, incorporated in St Kitts, is the Parent Company of a diversified trading, manufacturing and service group. A list of subsidiary companies and their main activities is given at the end of this report.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

The Accounts of the Parent Company and its subsidiaries have been prepared under the historical cost convention modified to give effect to the revaluation of certain fixed assets.

b) Basis of Consolidation:

The Group Accounts include the Accounts of the Parent Company and its subsidiary companies, which are made up to 31 January 2003. The Group Accounts also include the Group's share of the post-acquisition results and the reserves of associated companies.

The Group's share of attributable post acquisition income of its associated companies is dealt with in the Consolidated Profit and Loss Account while in the Consolidated Balance Sheet the investments are shown at cost plus the Group's share of post acquisition reserves.

Inter-Company transactions, including inter-company profits in year-end inventories, where material, have been eliminated from these Accounts.

c) Investments:

Investments in shares of associated companies (holding of 20% to 50%) are accounted for on the equity method of accounting. Trade and other investments are stated at cost or valuation less provision for diminution in value.

d) Inventories and Goods in Transit:

Inventories and goods in transit are valued at the lower of cost and net realizable value on bases, which have been applied consistently with the previous financial year.

e) Hire Purchase Transactions:

The Gross Profit and Interest Charges relating to hire purchase sales are apportioned over the period in which the instalments are received in the proportion which instalments received bear to the total selling price. Hire purchase stock is valued at hire purchase sale price less deferred gross profit and interest charges and less cash received on account. This value is not greater than cost or net realizable value and has been consistently applied over the years.

f) Policyholders' Funds

St. Kitts Nevis Insurance Company Limited (SNIC), a wholly owned subsidiary, is required to set aside and maintain funds for both statutory and actuarial reasons to adequately safeguard the policyholders' interests. These funds are shown separately from the funds attributable to the stockholder and are not available for distribution. An actuary will value the long term insurance funds at intervals not exceeding five years.

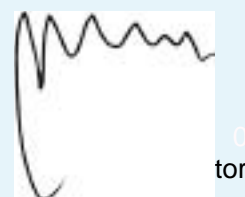
GROUP CONSOLIDATED BALANCE SHEET

AS AT 31 JAN 2003

CURRENT ASSETS	NOTES	2003	2002
Cash and Short Term Investments	3	15,217,067	16,191,107
Accounts Receivable	4	43,844,192	42,828,736
Inventories and Goods in Transit		<u>24,077,624</u>	<u>24,345,275</u>
		<u>83,138,883</u>	<u>83,365,118</u>
CURRENT LIABILITIES			
Current Loans and Bank Overdrafts	5	17,402,360	11,556,973
Accounts Payable	6	59,019,190	56,399,130
Provision for Taxation	7	2,284,021	2,611,451
Proposed Dividend		<u>1,250,000</u>	<u>1,000,000</u>
		<u>79,955,571</u>	<u>71,567,554</u>
WORKING CAPITAL		3,183,312	11,797,564
TRADE INVESTMENTS	8	15,704,265	10,939,391
FIXED ASSETS	9	84,441,430	80,346,492
GOODWILL - at Cost	2(r)	603,137	603,137
TOTAL		<u>\$103,932,144</u>	<u>\$103,686,584</u>
FINANCED BY:			
SHARE CAPITAL	10	25,000,000	25,000,000
RESERVES	11	<u>33,409,761</u>	<u>30,134,240</u>
SHAREHOLDERS' EQUITY		58,409,761	55,134,240
MINORITY INTEREST		2,301,519	3,146,900
LOANS-NON CURRENT	5	19,460,325	25,498,671
INSURANCE AND OTHER FUNDS	13	<u>23,760,539</u>	<u>19,906,773</u>
FUNDS EMPLOYED		<u>\$103,932,144</u>	<u>\$103,686,584</u>



D M Morton
Chairman



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The attached Notes form part of these Accounts

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JAN 2003

CASH FLOWS FROM OPERATING ACTIVITIES	2003	2002
Income before taxation	6,824,151	5,660,804
ADJUSTMENTS TO RECONCILE NET PROFIT TO NET CASH FROM OPERATING ACTIVITIES		
Depreciation	3,154,541	3,611,706
Prior year adjustments	-	(102,673)
Gain on Disposal of Fixed Assets and Investments	(327,565)	(363,377)
Share of results of Associated Companies	(241,704)	(722,930)
Increase in Employment and insurance Funds	3,853,766	4,204,498
Minority Interest in earnings of subsidiaries	103,104	119,197
CHANGES IN ASSETS AND LIABILITIES		
Decrease in Inventories	267,651	9,545,566
Increase in Accounts Receivable	(1,015,456)	(3,039,575)
Increase in Accounts payable	2,620,060	6,128,830
Taxation Paid	(1,622,159)	(1,857,119)
Net cash inflow from operating activities	<u>13,616,389</u>	<u>23,184,927</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	1,428,580	1,292,389
Purchase of fixed assets	(8,350,493)	(7,509,138)
Return on Investments	-	2,499
Purchase of Investments	(4,819,183)	(2,687,500)
Liquidation expenses re Subsidiary	-	(11,118)
Dividends from associated companies	143,305	243,305
Reserve/(Goodwill) Purchased	45,702	-
Net cash outflow from Investing activities	<u>(11,552,089)</u>	<u>(8,669,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in non-current debt	(6,038,346)	(1,511,179)
Increase/(Decrease) in current debt	5,845,387	(8,545,351)
Increase/(Decrease) in Minority Interest	(845,381)	111,181
Dividends paid to Shareholders	(2,000,000)	(2,000,000)
Net cash outflow from financing activities	<u>(3,038,340)</u>	<u>(11,945,349)</u>
Net (Decrease) / Increase in cash and cash equivalents	(974,040)	2,570,015
Cash and cash equivalents at beginning of year	16,191,107	13,621,092
Cash and cash equivalents at end of year	<u>\$15,217,067</u>	<u>\$16,191,107</u>

The attached Notes form part of these Accounts