

S L HORSFORD AND COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAT 30 SEPTEMBER 2013

(Expressed in Eastern Caribbean Dollars)

| | Notes | <u>2013</u> | <u>2012</u> (Restated) |
|---|--------|-----------------------|---------------------------|
| CURRENT ASSETS | | | |
| Cash at Bank and in Hand | | 621,274 | 723,011 |
| Accounts Receivable - Current | 3 | 10,890,474 | 11,337,454 |
| Inventories | 4 | <u>32,591,992</u> | <u>31,078,511</u> |
| | | <u>44,103,740</u> | <u>43,138,976</u> |
| CURRENT LIABILITIES | | | |
| Loans and Bank Overdrafts | 5 | 22,087,769 | 17,839,340 |
| Accounts Payable and Accruals | 6 | 8,701,231 | 7,722,195 |
| Provision for Taxation | 7 | <u>612,379</u> | <u>685,711</u> |
| | | <u>31,401,379</u> | <u>26,247,246</u> |
| WORKING CAPITAL | | 12,702,361 | 16,891,730 |
| INTANGIBLES | 8 | 37,686 | 29,788 |
| ACCOUNTS RECEIVABLE - Non current | 3 | 8,357,838 | 8,158,352 |
| INVESTMENT IN ASSOCIATED COMPANIES | 9 | 11,355,904 | 12,501,455 |
| AVAILABLE-FOR-SALE INVESTMENTS | 10 | 586,153 | 645,058 |
| PROPERTY, PLANT AND EQUIPMENT | 5 & 11 | <u>97,884,180</u> | <u>94,691,495</u> |
| TOTAL | | <u>\$ 130,924,122</u> | <u>\$ 132,917,878</u> |
| FINANCED BY: | | | |
| SHARE CAPITAL | 12 | 30,148,430 | 30,148,430 |
| RESERVES | | <u>85,450,470</u> | <u>82,756,338</u> |
| SHAREHOLDERS' FUNDS | | 115,598,900 | 112,904,768 |
| DEFERRED TAX LIABILITY | 13 | 5,752,733 | 5,841,709 |
| LOANS NON CURRENT | 5 | <u>9,572,489</u> | <u>14,171,401</u> |
| FUNDS EMPLOYED | | <u>\$ 130,924,122</u> | <u>\$ 132,917,878</u> |

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

Approved by the Board of Directors on 6 February 2014

W Anthony Kelsick
Chairman

Donald Kelsick
Director

S L HORSFORD AND COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOMEFOR THE YEAR ENDED 30 SEPTEMBER 2013

(Expressed in Eastern Caribbean Dollars)

| | Notes | <u>2013</u> | <u>2012</u> |
|--------------------------------|-------|---------------------|---------------------|
| TURNOVER | 2 (m) | 120,833,483 | 113,833,626 |
| Cost of Sales | | <u>(92,722,404)</u> | <u>(87,033,853)</u> |
| GROSS PROFIT | | 28,111,079 | 26,799,773 |
| OTHER INCOME | | <u>8,158,079</u> | <u>8,798,252</u> |
| TOTAL INCOME | | <u>36,269,158</u> | <u>35,598,025</u> |
| LESS: EXPENSES | | | |
| Administrative Expenses | | (21,305,584) | (22,180,158) |
| Distribution Costs - Transport | | (1,858,447) | (1,755,823) |
| - Advertising | | (2,298,025) | (2,131,146) |
| Other Expenses | | (1,115,483) | (1,674,465) |

| | | | |
|--|-----------|---------------------|---------------------|
| Depreciation and Amortisation | | (3,394,567) | (3,214,719) |
| Finance Costs | | <u>(1,744,416)</u> | <u>(1,994,396)</u> |
| | | <u>(31,716,522)</u> | <u>(32,950,707)</u> |
| Profit before Results of Associated Companies | | 4,552,636 | 2,647,318 |
| Share of Results of Associated Companies | 2 (d) & 9 | <u>3,911,453</u> | <u>1,893,437</u> |
| INCOME BEFORE TAXATION | | 8,464,089 | 4,540,755 |
| Income Tax Expense | 7 | <u>(3,002,598)</u> | <u>(2,032,435)</u> |
| INCOME FOR THE YEAR CARRIED TO STATEMENT OF COMPREHENSIVE INCOME | | <u>\$ 5,461,491</u> | <u>\$ 2,508,320</u> |
| BASIC EARNINGS PER SHARE | 14 | <u>\$ 0.18</u> | <u>\$ 0.08</u> |

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S L HORSFORD AND COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013
(Expressed in Eastern Caribbean Dollars)

| | <u>Notes</u> | <u>2013</u> | <u>2012</u> |
|---|--------------|---------------------|---------------------|
| Income for the year | | 5,461,491 | 2,508,320 |
| OTHER COMPREHENSIVE INCOME: | | | |
| Decrease in Revaluation Reserve - Associated Company | 9 | (296,582) | (38,206) |
| Capitalisation of deposits on land sales - Marshall Plantations Ltd | | - | 151,124 |
| Unrealised Holding Loss - decrease in fair value | 10 | <u>(58,905)</u> | <u>(39,909)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR CARRIED TO STATEMENT OF CHANGES IN EQUITY | | <u>\$ 5,106,004</u> | <u>\$ 2,581,329</u> |

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S L HORSFORD AND COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013
(Expressed in Eastern Caribbean Dollars)

| | <u>Share Capital</u> | <u>Revaluation Reserve</u> | <u>Other Capital Reserve</u> | <u>Unrealised Holding Gain - Investment</u> | <u>Retained Earnings</u> | <u>Total</u> |
|------------------------------|----------------------|----------------------------|------------------------------|---|--------------------------|--------------|
| Balance at 30 September 2011 | 30,148,430 | 38,307,644 | 555,307 | 534,485 | 43,792,416 | 113,338,282 |
| Total Comprehensive Income | - | (38,206) | 151,124 | (39,909) | 2,508,320 | 2,581,329 |

| | | | | | | |
|-----------------------------------|---------------|---------------|------------|------------|---------------|----------------|
| Dividend paid (\$0.10 per share) | - | - | - | - | (3,014,843) | (3,014,843) |
| Balance at 30 September 2012 | \$ 30,148,430 | \$ 38,269,438 | \$ 706,431 | \$ 494,576 | \$ 43,285,893 | \$ 112,904,768 |
| Balance at 30 September 2012 | 30,148,430 | 38,269,438 | 706,431 | 494,576 | 43,285,893 | 112,904,768 |
| Total Comprehensive Income | - | (296,582) | - | (58,905) | 5,461,491 | 5,106,004 |
| Dividend paid (\$0.08 per share) | - | - | - | - | (2,411,872) | (2,411,872) |
| Balance at 30 September 2013 | \$ 30,148,430 | \$ 37,972,856 | \$ 706,431 | \$ 435,671 | \$ 46,335,512 | \$ 115,598,900 |

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S L HORSFORD AND COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2013
(Expressed in Eastern Caribbean Dollars)

| | <u>2013</u> | <u>2012</u> (Restated) |
|---|-----------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before Taxation | 8,464,089 | 4,540,755 |
| Adjustments for: | | |
| Depreciation and Amortisation | 3,394,567 | 3,214,726 |
| Gain on disposal of Property, Plant and Equipment | (264,072) | (155,226) |
| Finance costs incurred | 1,744,416 | 1,994,396 |
| Share of income from Associated Companies | (3,911,453) | (1,893,437) |
| Operating profit before working capital changes | 9,427,547 | 7,701,214 |
| Net change in non-cash working capital balances related to Operations | (87,465) | 751,745 |
| Finance costs paid | 9,340,082 | 8,452,959 |
| Taxation paid | (1,744,416) | (1,994,396) |
| | (2,089,618) | (1,483,118) |
| Net cash inflow from operating activities | <u>5,506,048</u> | <u>4,975,445</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment | (7,227,625) | (5,386,249) |
| Proceeds on disposal of Property, Plant and Equipment | 917,148 | 2,871,058 |
| Purchase of Intangibles | (20,602) | (32,624) |
| Capitalisation of Deposits on Land Sales - Marshall Plantations Ltd | - | 151,124 |
| Dividends received from Associated Companies | 3,685,135 | 2,050,150 |
| Net cash used in investing activities | <u>(2,645,944)</u> | <u>(346,541)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Non-current Receivables | (199,486) | 2,557,150 |
| Long term Loans repaid | (2,549,797) | (1,563,383) |
| Dividends paid to Shareholders | (2,411,872) | (3,014,843) |
| Net cash used in financing activities | <u>(5,161,155)</u> | <u>(2,021,076)</u> |
| Net (decrease)/increase in cash and cash equivalents | (2,301,051) | 2,607,828 |
| Cash and cash equivalents - beginning of year | (2,067,899) | (4,675,727) |
| Cash and cash equivalents - end of year | <u>\$ (4,368,950)</u> | <u>\$ (2,067,899)</u> |
| Cash and cash equivalents comprise: | | |
| Cash | 621,274 | 723,011 |
| Bank Overdrafts | (4,990,224) | (2,790,910) |
| | <u>\$ (4,368,950)</u> | <u>\$ (2,067,899)</u> |

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

