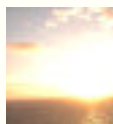


Our Mission

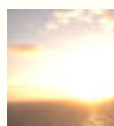
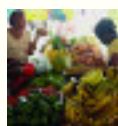
TDC is fully Committed to Total Customer Satisfaction; Employee Excellence through Participation & Training to provide Maximum Benefits for Shareholders while Contributing meaningfully to the Economic, Social & Cultural Advancement of our Nation.

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Corporate Information



Directors



Dennis Michael Arthur Morton
Chairman, Executive Director



Austin Vincent DaSilva
Executive Director



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



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



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



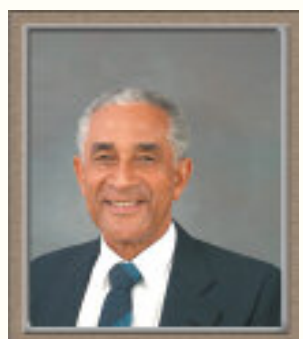
Clive Elton Ramus Ottley, M.B.,
B.S., (Lond) F.R.C.O.G.



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



Jacques Augustine Copel Cramer
Marketing Consultant



Kenneth Norman Kelly



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

Corporate Information

Secretary

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

Auditors

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

Bankers

FirstCaribbean 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

Notice of Meeting

Notice is hereby given that the 32nd 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, Fortlands, Basseterre, St. Kitts, on Thursday 16 June, 2005 at 5.00 p.m.

AGENDA

1. To receive the Report of the Directors
2. To receive and consider the Accounts for year ended 31 January 2005
3. To declare a final Dividend
4. To elect Directors to replace those retiring by rotation
5. To appoint Auditors and to authorize the Directors to fix their remuneration for the ensuing year

BY ORDER OF THE BOARD



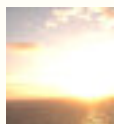
Maritza Bowry
Secretary

18 May, 2005

The Transfer Books and Register of Members will be closed from 10 June to 24 June 2005.

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.

Directors' Report



The thirty second financial year of the Company was another successful one despite the challenges faced. The company's operations resulted in Net Income of \$7,489,311 after taxation and minority interests, compared to \$5,985,834 last year, which was restated.

In January 2005 an interim dividend of 5% (25 cents per share) was paid. The Board now recommends a final dividend of 5%, making the total dividend 10% (50 cents per share) for the year, amounting to \$2,500,000.

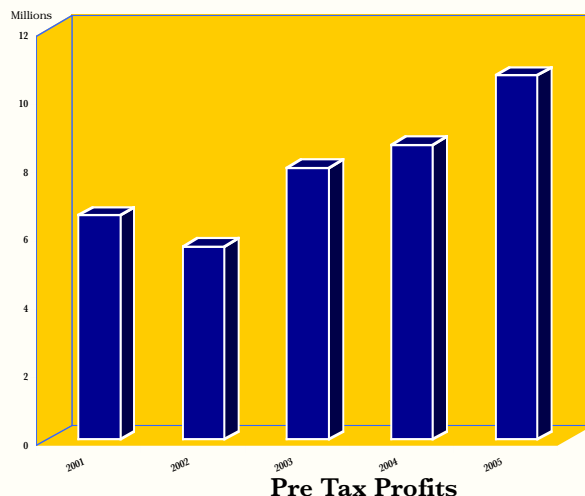
During the year, management continued discussions with the Inland Revenue Department, which conducted an audit of the Group's accounting records for the financial years 1998 to 2002. We have made considerable progress towards the settlement of income tax re-assessments for several companies, and we anticipate that all outstanding ones will be settled shortly.

PERFORMANCE REVIEW

Our Automotive Divisions experienced an increase in sales; however, margins were reduced due to exceptionally competitive market conditions. The Home and Building Depots produced better results than last year due to increased sales and improved purchasing practices. Our first full year of trading from our new locations proved successful and we continue to make improvements to our outlets to solidify these results. From its new premises in St. Kitts, the Business Equipment and Stationery business did well, while Nevis experienced its second consecutive year of losses. Plans have been implemented to correct this situation and generate positive results, similar to those achieved in St Kitts.

The Shipping Agencies again performed well, even though in September 2004, T.D.C Nevis Limited's agency was terminated by Tropical Shipping Company, which it had represented for over fourteen years. During the year, the company sold the MV BO, the inter-island vessel that it had owned and operated for several years. The larger capacity replacement, MV BOII, continues to perform effectively.

TDC Rentals Ltd and TDC Rentals (Nevis) Ltd



both performed well. There has been limited growth in hire purchase business, but the vehicle rentals business increased substantially. The vehicle rental business in St.Kitts has benefited greatly from our relationship with

Thrifty Car Rentals and the establishment of an office at the R.L.Bradshaw International Airport. Both companies invested heavily in the upgrading of their vehicle fleets and customer service facilities.

St. Kitts and Nevis Finance Company Ltd.(FINCO) continued its positive growth in most lines of its business. However, operating profits fell as a result of increased overheads and reduced margins.

St Kitts Nevis Insurance Company Ltd (SNIC) had another good year during which we were fortunate not to have experienced any major loss events. We are disappointed that our appeals to the government, to review its decision to disallow local insurers from setting aside more than 5% of their premiums in Catastrophe Reserves, have been

ignored. This position continues to stifle the growth of indigenous insurance companies, ultimately resulting in a net outflow of capital from the local economy.

The Hotel, Airline Services and Tours businesses had mixed results. Ocean Terrace Inn (OTI) made a small profit, its first in several years. The Airline Services business in Nevis had another very challenging year due to the continuing low volume of aircrafts handled and recurring staff problems. During the year, one of the regional airlines serving St Kitts took over the management of its customer services at the airport. However, the other scheduled, private and charter airlines businesses remained strong. TDC Tours improved its performance on the strength of the growth of its cruise and hotel related businesses.

St Kitts Bottling Company Ltd

improved its operating performance during the year largely because of its diversification into the importation of soft drinks and other services. That company's directors and management have concluded that the aging plant must be replaced in order to ensure its survival as a manufacturer and bottler. As a result, during the next twelve months, the company will invest over EC\$8,000,000 in a new, state of the art PET plant.

St Kitts Masonry Products Ltd returned to profitability during the year. The company continues to seek to purchase land suitable for the mining of aggregate to ensure a cost effective and reliable source of raw materials.

MAICO, our associated insurance company in Anguilla, contributed significantly to the Group's performance. During the year, MAICO paid its first dividend since our company invested in it in 1998.

CAPITAL PROJECTS

The relocation of the Home Centre and its amalgamation with the Building Materials Department on Frigate Bay Road, St Kitts, has allowed for the redevelopment of the company's properties at Central and Fort Streets, Basseterre. Architectural plans are being finalized to construct a modern building on that site. The "Corner Store" located at Bank and West Independence Square Streets is being refurbished and modernized to accommodate our Airline Services and Tours businesses and provide space for rental.

We also plan to commence construction of a modern vehicle showroom at the Automotive Division at the C.A.Paul Southwell Industrial Site, St. Kitts.

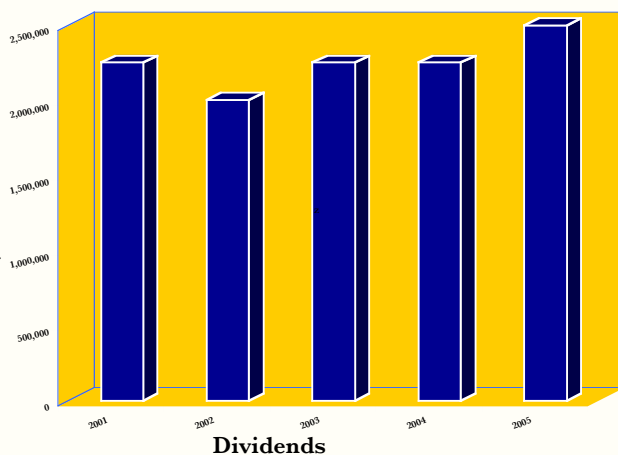
REAL ESTATE & DEVELOPMENT

TDC Real Estate and Construction Company Ltd, developer of Leeward Cove

Condominiums, finally succeeded in selling the remaining condo unit in that development.

Plans are at an advanced stage to construct an upscale villa development on 8.67 acres of land at Frigate Bay, overlooking the golf course. The interest shown by prospective purchasers has been very encouraging.

While we await a response from government to our request to purchase a tract of its land suitable to develop a middle-income housing development, the company will construct twenty-one middle-income homes on 3.25 acres of land at Conaree owned by Conaree Estates Ltd. Several joint venture projects are under



negotiation, including the construction of a resort facility at Cable Bay. Real estate developments are viewed as integral components of the company's strategy to ensure its future profitability and growth.

INVESTMENTS

The Company has committed itself to invest, with local and international partners, in a new wireless telecommunications venture called St Kitts Nevis

Wireless Holdings Limited, doing business as Cingular Wireless, St. Kitts and Nevis.

Subsequent to the year end the net trading assets and the associated goodwill of

City Drug Store Limited were purchased. The acquisition price was met partly by the payment of cash and the balance will be met by the issue of shares, in the company, to City Drug Store Limited. A subsidiary company, City Drug Store (2005) Limited was established to operate the business.

SOCIAL CONTRIBUTION

The Group remains 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

Fueled by increased arrivals of stay over cruise visitors in the tourism sector, together with public and private sector construction activity, the local economy remained bouyant.

We applaud the government's decision to finally close the sugar industry after years of accumulating crippling losses. While we are aware that the closure of the industry will create challenges, we believe that if it is accompanied by well managed and creative re-training and land use programs, the decision will greatly benefit the country in the long term.



STATUTORY REPORT

The Directors have pleasure in submitting their Report and Audited Accounts for the year ended January 31, 2005.

	2005	2004
Profit for the year after providing for Taxation	\$7,489,311	\$5,985,834
The Board recommends a total Dividend of		
10% free of tax (2004 -9%)	<u>\$2,500,000</u>	<u>\$2,250,000</u>
Retained Earnings	\$4,989,311	\$3,735,834

In accordance with Article 99 of the Articles of Association Messrs J A Cramer, C E Ottley, C L Wilkin, and E A Kelly retire and being eligible, offer themselves for reappointment.

In closing, the Board wishes to thank all employees for their unwavering loyalty and commitment and solicit their continued support. 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

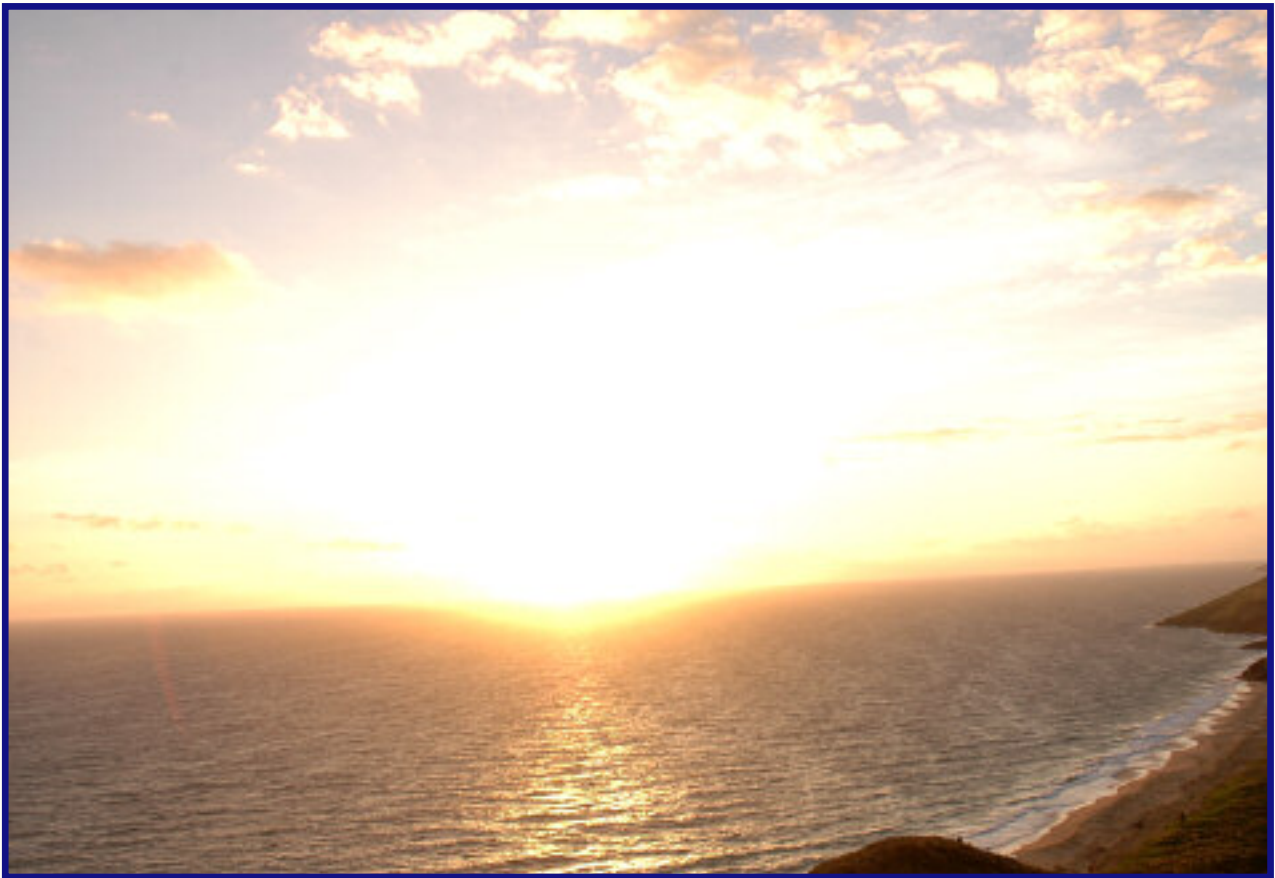


D Michael Morton
Chairman



Earle A Kelly
Director

Financial --- Information



Financial Performance

Year to 31st January	2001	2002	2003	2004	2005
Interest Net	3,619,050	2,473,208	1,241,355	1,910,437	678,354
Depreciation	4,057,866	3,611,706	3,154,541	3,698,484	3,924,936
Pre-Tax Profit	6,566,931	5,660,804	7,951,861	8,625,121	10,664,409
Corporation Tax	1,840,444	1,699,755	1,711,663	2,588,904	3,121,478
Dividends	2,250,000	2,000,000	2,250,000	2,250,000	2,500,000
Retained Income	2,367,648	2,080,246	4,093,302	3,735,834	4,989,311
Shareholders Funds	51,267,401	55,134,240	61,206,898	67,016,481	71,085,064

Auditors' Report

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

We have audited the Consolidated Balance Sheet of the Group as at 31 January 2005, and the related Consolidated Profit and Loss Account and Statements of Changes in Equity and 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 about whether 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 31 January 2005, and the results of its operations, changes in equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards except as disclosed in Note 2 (n) & (p) to the Financial Statements.



PANNELL KERR FORSTER

Chartered Accountants
Basseterre
St Kitts - West Indies

12 May 2005

Balance Sheet

AS AT 31 JANUARY 2005

CURRENT ASSETS	NOTES	2005	2004
Cash and Short Term Investments	3	18,165,459	16,516,251
Accounts Receivable	4	56,141,056	51,319,147
Inventories and Goods in Transit		<u>33,629,637</u>	<u>34,867,491</u>
		<u>107,936,152</u>	<u>102,702,889</u>
CURRENT LIABILITIES			
Current Loans and Bank Overdrafts	5	19,256,177	19,066,263
Accounts Payable	6	67,218,002	63,320,964
Provision for Taxation	7	<u>7,146,679</u>	<u>7,460,007</u>
		<u>93,620,858</u>	<u>89,847,234</u>
WORKING CAPITAL		14,315,294	12,855,655
TRADE INVESTMENTS	8	18,533,465	18,622,329
FIXED ASSETS	9	84,114,967	81,698,297
INSURANCE STATUTORY DEPOSIT	10	<u>585,994</u>	<u>530,052</u>
TOTAL		<u>\$117,549,720</u>	<u>\$113,706,333</u>
FINANCED BY:			
SHARE CAPITAL	11	25,000,000	25,000,000
RESERVES		<u>46,085,064</u>	<u>42,016,481</u>
SHAREHOLDERS' EQUITY		71,085,064	67,016,481
MINORITY INTEREST		2,485,522	2,351,902
LOANS-NON CURRENT	5	13,900,569	17,362,681
INSURANCE AND OTHER FUNDS	12	<u>30,078,565</u>	<u>26,975,269</u>
FUNDS EMPLOYED		<u>\$117,549,720</u>	<u>\$113,706,333</u>



D M Morton
Chairman



Earle A Kelly
Finance Director

The attached Notes form part of these Accounts.

Profit and Loss Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

NOTES	2005	2004
TURNOVER (Note 2 (q))	147,191,613	123,983,887
Cost of Sales and Related Costs	<u>(104,495,930)</u>	<u>(86,233,678)</u>
Gross Profit	42,695,683	37,750,209
Other Operating Income	6,360,307	8,156,487
Operating Costs	<u>(12,523,095)</u>	<u>(12,340,917)</u>
Distribution Cost	<u>(5,512,667)</u>	<u>(5,245,471)</u>
Administrative	<u>(17,005,193)</u>	<u>(15,873,121)</u>
Finance Cost	<u>(3,110,771)</u>	<u>(2,765,248)</u>
Other Expenses	<u>(862,409)</u>	<u>(1,159,570)</u>
Share of Results of Associated Companies	<u>622,554</u>	<u>102,752</u>
PROFIT BEFORE TAXATION	10,664,409	8,625,121
Provision for Taxation 7	<u>(3,121,478)</u>	<u>(2,588,904)</u>
PROFIT AFTER TAXATION	7,542,931	6,036,217
Minority Interest - Profit	<u>(53,620)</u>	<u>(50,383)</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS CARRIED TO STATEMENT OF CHANGES IN EQUITY	<u>\$7,489,311</u>	<u>\$5,985,834</u>

The attached Notes form part of these Accounts.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 JANUARY 2005

	Share Capital	Unrealised Holding Gain	Capital Reserve	Retained Earnings	Total
Balance at 31 January 2003					
- As previously reported	25,000,000	-	4,463,321	28,946,440	58,409,761
- Prior Year Adjustments (Note 14)	-	-	-	2,201,480	2,201,480
- As Restated	25,000,000	-	4,463,321	31,147,920	60,611,241
Increase in Reserves of Associated Companies	-	-	413,858	-	413,858
Unrealised Holding Gain - Investment (See Note 2 (c))	-	1,509,352	-	-	1,509,352
Transfer to Capital Reserves					
- Associated Companies	-	-	105,948	(105,948)	-
Goodwill written off			(503,804)		(503,804)
Net Income for the year (Restated)	-	-	-	5,985,834	5,985,834
Dividend paid (Note 11)	-	-	-	(1,000,000)	(1,000,000)
Balance at 31 January 2004					
- As Restated	<u>\$25,000,000</u>	<u>\$1,509,352</u>	<u>\$4,479,323</u>	<u>\$36,027,806</u>	<u>\$67,016,481</u>
Balance at 31 January 2004					
- As previously reported	25,000,000	1,509,352	4,479,323	36,990,721	67,979,396
- Prior Year Adjustment (Note 14)	-	-	-	(962,915)	(962,915)
- As Restated	25,000,000	1,509,352	4,479,323	36,027,806	67,016,481
Decrease in Reserves of Associated Companies and Subsidiary	-	-	(446,135)	-	(446,135)
Unrealised Holding Gain Investment (See Note 2 (c))	-	(425,000)	-	-	(425,000)
Transfer to Capital Reserves					
- Associated Companies	-	-	21,027	(21,027)	-
Transfer from Capital Reserves					
Subsidiary	-	-	(678,850)	678,850	-
Reduction in value of investment	-	-	(49,593)		(49,593)
Net Income for the Year				7,489,311	7,489,311
Dividend paid (Note 11)	-	-	-	(2,500,000)	(2,500,000)
Balance at 31 January 2005	<u>\$ 25,000,000</u>	<u>\$ 1,084,352</u>	<u>\$ 3,325,772</u>	<u>\$ 41,674,940</u>	<u>\$ 71,085,064</u>

The attached Notes form part of these Accounts.

Statement of Cash Flows

FOR THE YEAR ENDED 31 JANUARY 2005

CASH FLOWS FROM OPERATING ACTIVITIES	2005	2004
Income before taxation	10,664,409	8,625,121
ADJUSTMENTS TO RECONCILE NET PROFIT TO NET CASH FROM OPERATING ACTIVITIES		
Depreciation	3,924,935	3,599,151
Amortisation of Goodwill	-	\$99,333
Prior Year Adjustments	-	1,813,903
Gain on Disposal of Fixed Assets and Investments	(484,152)	(498,166)
Share of results of Associated Companies	(622,554)	(102,752)
Increase in Employment and Insurance Funds	3,103,296	3,574,840
Minority Interest in earnings of Subsidiaries	(53,620)	(50,383)
CHANGES IN ASSETS AND LIABILITIES		
Decrease/ (Increase) in Inventories	1,237,854	(7,350,418)
Increase in Accounts Receivable	(4,821,909)	(7,474,955)
Increase in Accounts Payable	3,897,038	4,580,310
Taxation Paid	(3,434,806)	(1,103,436)
Net cash inflow from operating activities	<u>13,410,491</u>	<u>5,712,548</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	1,144,795	10,597,501
Purchase of Fixed Assets	(7,002,248)	(10,955,352)
Purchase of Investments	(275,643)	(935,408)
Dividends from Associated Companies	146,333	43,305
Insurance Statutory Deposit	(55,942)	(530,052)
Net cash outflow from Investing Activities	<u>(6,042,705)</u>	<u>(1,780,006)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in non-current debt	(3,462,112)	(2,097,644)
Increase in current debt	189,914	1,275,243
Increase in Minority Interest	53,620	50,383
Dividends paid to Shareholders	(2,500,000)	(2,250,000)
Dividends paid to Shareholders	(\$2,500,000)	(\$2,250,000)
Net cash outflow from Financing Activities	<u>(\$5,718,578)</u>	<u>(\$3,022,018)</u>
Net (Decrease) / Increase in cash and cash equivalents	\$1,649,208	\$910,524
Cash and cash equivalents at beginning of year	<u>\$16,516,251</u>	<u>\$15,605,727</u>
Cash and cash equivalents at end year	<u>\$18,165,459</u>	<u>\$16,516,251</u>

The attached Notes form part of these Accounts.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

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 2004. 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.

Investments in Companies quoted on the Eastern Caribbean Securities Exchange are carried at fair value based on quoted market prices at the year end.

d) Inventories and Goods in Transit:

Inventories and goods in transit are valued at the lower of cost and net realizable value, 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.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

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 shareholders and are not available for distribution. An actuary will value the long term insurance funds at intervals not exceeding five years.

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 un-expired risks:

Provisions for un-expired 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 re-insurers. 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.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

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.

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.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

3. CASH AND SHORT TERM INVESTMENTS

Included in cash and short term investments is an amount of \$7,622,813 (2004 = \$7,459,375) which represents Government of St Kitts and Nevis and Nevis Island Administration Treasury Bills stated at cost [Face Value \$7,750,000 (2004 = \$7,500,000)] maturing on a quarterly basis. Interest is earned at the rate of 6.5% and 7% per annum respectively, free of tax.

4. ACCOUNTS RECEIVABLE 2005 2004

Trade Accounts Receivable	53,438,681	48,924,107
Amount due by Associated Companies	384,501	375,000
Other Receivables and Prepayments	<u>2,317,874</u>	<u>2,020,040</u>

TOTAL	<u>\$56,141,056</u>	<u>\$51,319,147</u>
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5. LOANS AND BANK OVERDRAFTS 2005 2004

Overdrafts	15,964,758	15,381,557
Loans-Current Portion	<u>3,291,419</u>	<u>3,684,706</u>

OVERDRAFT/LOANS-CURRENT	<u>19,256,177</u>	<u>19,066,263</u>
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Bank and other Loans	17,191,988	21,047,387
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Less-Current Portion	<u>(3,291,419)</u>	<u>(3,684,706)</u>
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LOANS-NON-CURRENT	<u>\$13,900,569</u>	<u>\$17,362,681</u>
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Secured loans are repayable over periods varying from one (1) to ten (10) years at rates of interest varying from LIBOR + 1.5% to 10%.

Collateral:

The Group's bankers hold debentures creating fixed and floating charges and an equitable mortgage on the Group's assets, including capital of the Parent Company and certain subsidiaries amounting to approximately \$33,069,000 (2004 = \$33,343,000).

6. ACCOUNTS PAYABLE 2005 2004

Customer Deposits	35,240,393	31,091,339
Trade Accounts Payable	9,173,842	5,886,760
Amount due to Associated Companies	357,651	499,513
Sundry Accounts Payable and Accrued Charges	<u>22,446,116</u>	<u>25,843,352</u>

TOTAL	<u>\$67,218,002</u>	<u>\$63,320,964</u>
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Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

7. PROVISION FOR TAXATION 2005 2004

Provision for Taxation		
- Current Year	3,121,888	2,588,904
- Previous Year	<u>4,024,791</u>	<u>4,871,103</u>
TOTAL	<u>\$7,146,679</u>	<u>\$7,460,007</u>

The Charge in the Profit and Loss Account comprises the following:

Provision for Taxation	3,121,888	2,588,904
Sundry Over provisions	<u>(410)</u>	<u>-</u>
TOTAL	<u>\$3,121,478</u>	<u>\$2,588,904</u>

8. TRADE INVESTMENTS AT COST AND VALUATION

a) Associated Companies

ST KITTS MASONRY PRODUCTS LTD		
6,500 Ordinary shares of \$100 each - At Valuation	2,129,079	2,417,496
ST KITTS BOTTLING COMPANY LTD		
87,613 (2004 - 86,611) Ordinary Shares of \$5 each - At Valuation	1,742,267	1,644,946
CABLE BAY HOTEL DEVELOPMENT CO LTD		
3,500 Shares of US\$100 each - At Cost	945,000	945,000
Deposit on Shares	137,417	110,417
MALLIOUHANA - ANICO INSURANCE CO LTD		
81,375 Shares of \$10 each - At Valuation	<u>1,969,125</u>	<u>1,647,500</u>
Sub-total	<u>6,922,888</u>	<u>6,765,359</u>

b) Other Investments

ST KITTS-NEVIS-ANGUILLA NATIONAL BANK LTD		
500,000 Ordinary Shares of \$1 each - Quoted	1,500,000	1,925,000
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 \$1 each - Quoted	187,450	187,450
CABLE AND WIRELESS ST KITTS-NEVIS LTD		
126,000 Shares of \$1 each - At Cost	<u>168,000</u>	<u>168,000</u>
Sub-total Carried Forward	2,371,601	2,796,601

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

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

	<u>2005</u>	<u>2004</u>
Sub-total Brought Forward	2,371,601	2,796,601
EASTERN CARIBBEAN HOME MORTGAGE BANK		
1,064 Class D Shares of \$100 each - At Cost	106,400	106,400
10 Year Bonds - At Cost	1,050,000	1,050,000
TRU SERV CORPORATION		
332 Units of Common Stock at US\$100 each - At Valuation	40,200	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 LTD		
5,000 shares of no par value - At Cost	202,500	202,500
Fixed Deposits (medium term)	3,052,082	2,895,554
CARIBBEAN COMMERCIAL BANK (Anguilla) Ltd		
Fixed deposits (medium term)	1,609,356	1,537,684
EASTERN CARIBBEAN SECURITIES EXCHANGE		
10,000 Class D Shares of \$10 each fully paid	100,000	100,000
FEDERATION MEDIA GROUP - Fully paid up		
1,000 Ordinary Shares of \$100 - At Cost	100,000	100,000
DO-IT-BEST CORPORATION		
20 Common shares of US\$50 each - At Cost	2,700	2,700
HOUSING DEVELOPMENT PROJECT - At Cost		
124,235	124,235	124,235
GOVERNMENT OF ST KITTS NEVIS BONDS - At Cost		
2,000,000	2,000,000	2,000,000
FIRST CARIBBEAN INTERNATIONAL BANK LTD		
100,000 shares of no par value - At Cost	284,000	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)	<u>1</u>	<u>1</u>
Sub Total	<u>11,610,577</u>	<u>11,856,970</u>
TOTAL TRADE INVESTMENTS	<u>\$18,533,465</u>	<u>\$18,622,329</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 ended 30 June 2004 and for one company was the year ended 31 December 2004.

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.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

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.

Quoted Investments

Investments in Companies quoted on the Eastern Caribbean Stock Exchange are carried at fair value based on quoted market prices at year end.

9. FIXED ASSETS

	<u>TOTAL</u>	<u>LANDS AND BUILDINGS</u>	<u>GENERAL EQUIPMENT</u>
Cost or Valuation - At Beginning of Year	104,164,171	67,334,780	36,829,391
Additions at Cost	7,002,248	1,179,823	5,822,425
Disposals/Transfers at Cost	(3,224,279)	-	(3,224,279)
Cost or Valuation - At End of Year	<u>107,942,140</u>	<u>68,514,603</u>	<u>39,427,537</u>
Depreciation - At beginning of Year	22,465,874	1,632,437	20,833,437
Depreciation Charge in Year	3,924,935	-	3,924,935
Depreciation on Disposals	(2,563,636)	-	(2,563,636)
Depreciation - at End of Year	<u>23,827,173</u>	<u>1,632,437</u>	<u>22,194,736</u>
Net Book Value - 31 January 2005	<u>\$84,114,967</u>	<u>\$66,882,166</u>	<u>\$17,232,801</u>
Net Book Value - 31 January 2004	<u>\$81,698,297</u>	<u>\$65,702,343</u>	<u>\$15,995,954</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 two subsidiary companies have been leased from Government for periods of 50 years effective 1982 and 1985 respectively.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

10 INSURANCE STATUTORY DEPOSIT

In accordance with the Insurance (Amendment) Act Section 17 (b), all registered Insurance Companies are required to maintain a statutory deposit with the Accountant General. The amount of \$585,994 (2004 = \$530,052) was therefore deposited by St Kitts Nevis Insurance Company Limited in compliance with this legislation requirement.

11. SHARE CAPITAL

Authorised

	2005	2004
5,000,000 Ordinary Shares of \$5 each	<u>\$25,000,000</u>	<u>\$25,000,000</u>

Issued and Allotted

	2005	2004
5,000,000 Ordinary Shares of \$5 each	<u>\$25,000,000</u>	<u>\$25,000,000</u>

During the year ended January 31, 2005, an interim dividend of 25 cents (2004 = 20 cents) per ordinary share amounting to \$1,250,000 (2004 = \$1,000,000) was paid.

In addition a further dividend of 25 cents per ordinary share amounting to \$1,250,000 in respect of 2005 has been proposed by the Directors. In accordance with the revised IAS 10 - "Events after the Balance Sheet date," this proposed dividend is not recognised as a liability at January 31, 2005 but will be accounted for as an appropriation of the Reserves in the year ending January 31, 2006.

12. INSURANCE AND OTHER FUNDS

	<u>2005</u>	<u>2004</u>
Insurance Funds	26,152,707	23,109,531
Employee Benefit Funds	2,087,516	2,271,696
Policyholders' Funds	<u>1,838,342</u>	<u>1,594,042</u>
TOTAL	<u>\$30,078,565</u>	<u>\$26,975,269</u>

13. EARNINGS PER ORDINARY SHARE

Group Net Earnings per Ordinary Share

	<u>2005</u>	<u>2004</u>
Including Share Earnings of Associated Companies	\$1.50	\$1.20
Excluding Share Earnings of Associated Companies	\$1.37	\$1.18

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.

14. PRIOR YEAR ADJUSTMENTS

The prior year adjustments represent reserves and provisions previously included in the accounts deemed no longer required by management.

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

15. CONTINGENT LIABILITIES AND COMMITMENTS

- a) The Company is committed for call on the unpaid portion of shares in its wholly-owned subsidiary, St Kitts Nevis Insurance Company Limited, in the amount of \$500,000 (2004 = \$500,000) and \$70,000 in respect of TDC Tours Limited (2004 = \$70,000);
- b) At 31 January 2005, the Parent Company guaranteed bank loans and overdrafts on behalf of subsidiary companies totaling \$4,100,000 (2004 = \$4,150,000);
- c) At 31 January 2005, commitments in respect of open Letters of Credit established in the normal course of business amounted to \$3,605,194 (2004 = \$4,738,941);
- d) The Company is committed to investment in the Cable Bay Hotel Development project in the amount of \$7,044,583;
- e) The Group is presently holding negotiations with the Inland Revenue Authorities regarding proposed re-assessments covering the period 1998 - 2002.
- f) Pending Litigation

16. TDC REAL ESTATE AND CONSTRUCTION LIMITED

Leeward Cove Condominium Project

This subsidiary company completed the construction and sale of thirty-four condominium units at Leeward Cove, Frigate Bay for which it was been granted a ten year tax holiday.

The Company has been granted a five year tax holiday in respect of Sunrise Hill Villas at Frigate Bay.

17. FINANCIAL INFORMATION BY SEGMENT

SEGMENT	REVENUE		PRE-TAX PROFIT	
	2005	2004	2005	2004
General Merchants and Shipping	114,657,525	90,215,345	4,667,710	3,555,549
Insurance and Finance	12,205,181	12,192,594	2,530,614	2,605,215
Rentals, Airlines Agencies and Hotel	19,469,106	18,358,880	2,561,798	1,732,399
Real Estate	859,801	3,217,068	281,733	629,206
	<u>\$147,191,613</u>	<u>\$123,983,887</u>	<u>\$10,041,855</u>	<u>\$8,522,369</u>
SEGMENT	ASSETS		LIABILITIES	
	2005	2004	2005	2004
General Merchants and Shipping	107,061,900	107,947,819	58,072,444	63,093,533
Insurance and Finance	65,383,352	59,141,938	64,932,243	56,845,394
Rentals, Airline Agencies and Hotel	35,958,639	33,485,975	16,375,418	16,041,567
Real Estate	2,766,687	2,977,835	705,409	556,592
	<u>\$211,170,578</u>	<u>\$203,553,567</u>	<u>\$140,085,514</u>	<u>\$136,537,086</u>
SEGMENT	ADDITIONS TO FIXED ASSETS		DEPRECIATION	
	2005	2004	2005	2004
General Merchants and Shipping	2,628,240	7,982,527	1,908,567	1,861,920
Insurance and Finance	392,215	193,208	162,166	165,873
Rentals, Airline Agencies and Hotel	3,981,793	2,779,617	1,854,202	1,571,358
	<u>\$7,002,248</u>	<u>\$10,955,352</u>	<u>\$3,924,935</u>	<u>\$3,599,151</u>

Notes to the Accounts

FOR THE YEAR ENDED 31 JANUARY 2005

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, 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.

19. COMPARATIVE FIGURES

Certain of the 2004 Comparative figures have been reclassified to conform with the current year's presentation.

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 REINSURANCE:

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	}	91.88%
OTI Pieces of Eight Ltd		
Pelican Cove Marina Ltd		

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	}	43.8%
Antillean Beverages Ltd		

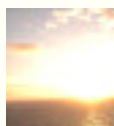
INSURANCE:

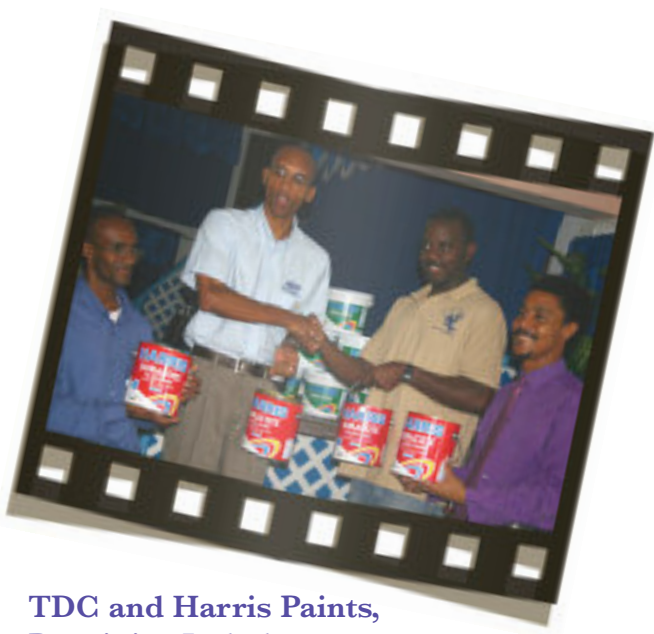
Malliouhana Anico Insurance Co Ltd - 25% (Anguilla)

HOTEL DEVELOPMENT

Cable Bay Hotel Development Co Ltd -26.5 %

A Selection of Group Donations





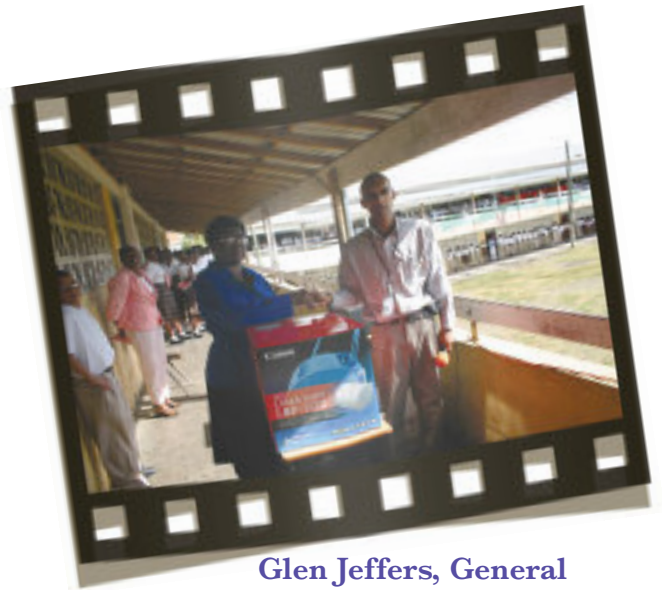
TDC and Harris Paints, Dominica Ltd. donate to Calvary Baptist Church Youth Fellowship.



Gary Colt, winner of the "TDC We Decorate, You Celebrate" Sweepstakes Grand Prize, a PT Cruiser.



Carina Wilson, the Winner of the TDC Teacher Sweepstakes being presented with a NEW IBM Computer by Lester Hanley, General Manager of Business Equipment, St. Kitts



Glen Jeffers, General Manager, of Home & Building Depot, St. Kitts, presenting Cynthia Williams, Principal of Washington High School, with a Canon LBP1120 printer.



St. Kitts Salsa Society receiving a donation towards its fundraising efforts to travel to Puerto Rico.



Ernie France, a Director of TDC Nevis, presents items to Kelvin Williams, winner of TDC Garden Competition in Nevis.



TDC Group Chariman, Michael Morton, giving remarks at 2005 TDC/Coca Cola Interschool Championships



Austin 'Gary' DaSilva being adorned by the Contestants of the 2005 TDC Easter-rama Queen Show.

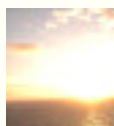


Zach Nisbett, being presented with a gift for the 43rd Annual 4-H Aquatic Sports Competition.



Participant of the TDC/ Canon sponsored Inter-High School Football Competition.

Coming
Soon...



Sunrise Hill Villa Resort

Half Moon, St. Kitts

"Home Away From Home"

Nestled among lush vegetation and tropical landscaping on a hillside at Half Moon Bay, will be TDC's proposed project the Sunrise Hill Villas.

These exclusively designed properties are perched atop 8.67 acres of scenic, tropical land, overlooking the Royal St. Kitts 18-hole Golf Course. They are designed to provide the perfect haven for those yearning for sunshine, unspoiled beauty, and the gentle rhythm of life in St. Kitts. Cradled between the Atlantic Ocean and the Caribbean Sea, this meticulously



crafted, charmingly traditional, and lavishly comfortable location provides the perfect Caribbean escape. Sunrise Hill Villas offer a laid back world of its own.

The Resort is intended to be reflective of true Kittitian architectural designs, coupled with a modern thrust. The traditional element uses a modular core with very "clean-line" modern attachments to complete the composition.

The end result is a Villa design with a unique and distinctive identity, which exhibits strong characteristics of a small plantation house with unmistakable elements of efficiency and comfortable modern living.

Atlantic Dawn, Ocean Dawn, Morning Dew, Morning Glory, Solar, and Sun Burst, are appropriate names for the newly designed villas, used to cultivate the sunrise theme.



This project will commence in June 2005 and is expected to be completed within 48 months.

P.O Box 142, Basseterre, St. Kitts, West Indies



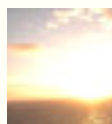
THE FUTURE OF CENTRAL STREET BEGINS HERE...

To facilitate the demands of the expanding Tourism Sector, TDC Group of Companies will transform its premises on the corner of Fort and Central Streets. This will provide a unique shopping experience in the heart of historic Basseterre, maintaining the traditions that continue to shape the colonial architectural landscape, whilst at the same time preserving our heritage, style and allure.

To complement this new development, the City Drug Store (CDS) will relocate to the new multifaceted building. CDS will continue to upgrade its services using innovative technology, a wider range of quality products, and the highest level of Client/Customer service to satisfy the growing needs of our nation.

TDC is pleased to present the conceptual impression of our downtown redevelopment, which will improve the office space of the Group, and provide unmatched retail accommodation in the heart of Basseterre.

Our Partners



A Selection of Our Partners



Mercedes-Benz



TOYOTA



LG Electronics

