

**Schedule 1**

**FORM ECSRC – K**

**ANNUAL REPORT PURSUANT TO SECTION 98 OF THE SECURITIES ACT OF 2001**

For the financial year ended 31 January 2013

Issuer Registration number

TDC081098KN

St Kitts Nevis Anguilla Trading and Development Company Limited

(Exact name of reporting issuer as specified in its charter)

Saint Christopher and Nevis

(Territory of incorporation)

Fort Street, Basseterre, St Kitts

(Address of principal office)

Reporting issuer's:

Telephone number (including area code): 1 (869) 465 2511

Fax number: 1 (869) 465 1099

Email address: earle.kelly@tdcltd.com

(Provide information stipulated in paragraphs 1 to 15 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by Sections 98 of the Securities Act of 2001 during the preceding 12 months

Yes (x)

No \_\_\_\_\_

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report.

CLASS	NUMBER
Ordinary Shares of EC\$1.00 each	52,000,000

**SIGNATURES**

Name of Chief Executive Officer  
**Dennis Michael Arthur Morton**


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Signature

August 19, 2013  
Date

Name of Director:  
**Earle Austin Kelly**

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Signature

August 19, 2013  
Date

## **January 2013 Annual Filing to ECSRC**

### **1. Business.**

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

### **PERFORMANCE REVIEW**

#### **GENERAL TRADING**

While the Sales and Gross Margin of the Home and Building Depot in St Kitts dropped only marginally, the net results were well below the previous year due to increases in Operating Expenses. The department in Nevis again performed poorly as a result of the continuing downturn in the construction sector on that island. The Automotive Divisions returned to profitability partly as a result of aggressive sales promotion. The Drinks Depot, City Drug Stores in St Kitts and Nevis and Business Equipment again produced disappointing results.

After an in-depth review of the company's operations and taking into consideration the strategic objectives of the Group, a decision was taken to discontinue the pharmacy services provided by City Drug Store (2005) Limited.

#### **SERVICES**

Our Shipping Agencies continued to be impacted by the slow growth on volumes of cargo carried by our principals. The department on Nevis marginally improved on last year's performance while that on St. Kitts experienced a decline.

In order to ensure a reliable transportation service for the company's products between the two islands, a new inter-island cargo ferry was purchased.

TDC Rentals Ltd. Due to a marginal decline in revenues and higher depreciation charges for its fleet, its vehicle rental business was less profitable than last year. However, despite reduced Hire Purchase volume, this segment returned better results due to better debt collections. Overall, the company performed much better than it did in the previous year.

TDC Rentals (Nevis) Ltd performed below management's expectations and reported results lower than last year's, in every category of its business due to reduced demand.

## FINANCE & INSURANCE

**St Kitts Nevis Finance Company Limited (FINCO)** again reported good, though slightly lower results than the prior year. Its loan portfolio grew but mainly in the lower earning home mortgage category which was facilitated largely by the company's participation in the FREESH program, an initiative of the Sugar Industry Diversification Foundation (SIDF). The company reached a significant milestone of one hundred million dollars (\$100,000,000) in assets.

**St Kitts Nevis Insurance Company Ltd (SNIC)** continued its record of good performances with improved results over last year and in line with management's projections. There were no catastrophic losses during the year and claims were strictly managed. The company intensified its preparation in its quest to become rated by A.M. Best, a leading international rating agency for insurance companies. Some of the initiatives included the commissioning of a new industry specific computerized management information system and the hiring of two experienced managers to head up its Underwriting and Claims departments.

**SNIC (Nevis) Ltd** increased its revenue but was negatively affected by the relatively large increase in provisions for doubtful debts.

## TOURISM

### **Ocean Terrace Inn Ltd (OTI)**

As indicated in our report last year, the company hired a consulting firm headed by an experienced and reputable former Caribbean hotelier to help stem the losses at the hotel. The consultants have reported on all aspects of the hotel's operations. As a result, the directors have agreed that a substantial investment is needed to resuscitate the business and stem the recurring losses. Towards this end, financing at concessionary terms has been raised from the Sugar Industry Diversification Foundation (SIDF). Plans are being formulated to refurbish and upgrade the hotel plant and improve its operations.

**TDC Airline Services Ltd** returned a profit, albeit a small one, compared to last year's loss. Towards the end of the year, the company was successful in negotiating improved terms for aircraft handling with one of its principals. This, along with some cost cutting measures and other initiatives, are expected to redound to the company's benefit over time.

The aircraft handling operations of **TDC Airline Services (Nevis) Ltd** were restructured in line with the reduced business that it now handles and this has resulted in reduced costs. Credit was tightened to ensure that the debt write offs of last year do not recur. As a result, the loss has been dramatically reduced.

**TDC Tours Ltd** again performed well even though its results were not as good as those of the prior year.

St Kitts Bottling Company Ltd performed below expectations. During the year, the company's authorization to bottle Coca Cola products ended. However, the company continues as a distributor of Coca Cola products. This has had an extremely adverse impact on the company and compelled restructuring in line with the new realities.

## REAL ESTATE DEVELOPMENT

The sales by TDC Real Estate and Construction Ltd at Sunrise Hills and Conaree Estates Ltd at Atlantic View Residences were well below forecasts. Only three units were sold at Sunrise Hills and two at Atlantic Views.

The Cable Bay Hotel Development Company. Thirty (30) beach front and poolside units were completed during the year and contracted for sale, mainly under the Citizenship by Investment Program. Construction of additional phases is under review by the shareholders.

## ASSOCIATED COMPANIES

St Kitts Masonry Products Ltd reported reduced sales and profits for the year. There was little or no growth in activity in the construction sector and the cost of operations increased.

MAICO, our associate insurance company in Anguilla, made a reduced contribution to the company's results as it continued to be impacted by the depressed economy of that island.

## 2. Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed off since the beginning of the financial year for which this report is filed.

	<u>TOTAL</u>	<u>LAND AND</u> <u>BUILDINGS</u>	<u>GENERAL</u> <u>EQUIPMENT</u>
Gross carrying Amount - At Beginning of year	187,052,273	120,548,587	55,503,686
Additions at Cost	5,611,567	490,711	5,120,856
Disposals/Transfers at Cost	(3,879,362)	-	(3,879,362)
Gross carrying amount at End of Year	<u>188,784,478</u>	<u>121,039,298</u>	<u>67,745,180</u>
Depreciation - At Beginning of Year	49,219,338	5,904,736	43,314,602
Depreciation Charge in Year	6,318,915	1,482,379	4,836,536
Depreciation on Disposals	(3,205,176)	-	(3,205,176)
Depreciation - At End of Year	<u>52,333,077</u>	<u>7,387,115</u>	<u>44,945,962</u>
Net Carrying amount - 31 January 2013	<u>\$136,451,401</u>	<u>\$113,652,183</u>	<u>\$22,799,218</u>

## **ST KITTS**

<b>Basseterre – Fort Street</b>	<b>TDC Mall – Fort Street (Bank of Nova Scotia, Ballahoo Restaurant, Miscellaneous Stores, TDC Head Office)</b>
<b>Central Street</b>	<b>Insurance company offices (SNIC) and City Drug Store (2005) Limited</b>
<b>Bank Street &amp; Independence Square Streets</b>	<b>Corner building (West Independence Square) and Bank Streets) currently houses Airline Services, FINCO offices and offices of Grant Thornton.</b>
<b>Bank Street</b>	<b>Vacant area of approximately 11,000 square feet used as a parking lot for TDC staff and the general public. Considerable potential for commercial development – offices, retail, etc</b>
<b>Basseterre – Newtown, Bay Road</b>	<b>Sands, a mixed residential and commercial complex.</b>
<b>Fortlands (OTI)</b>	<b>The Ocean Terrace Inn, Pelican Cove Marina, OTI Pieces of Eight – hotel and restaurants</b>
<b>C A P Southwell Industrial Site</b>	<b>Former factory shell used as the Automotive Division and a factory Shell owned by Dan Dan Garments Ltd used as warehouse.</b>
<b>Frigate Bay Road</b>	<b>Home and Building Depot</b>  <b>Approximately 1.3 acres of prime commercial land designated for future development</b>
<b>Frigate Bay</b>	<b>Approximately 3.27 acres of land for residential development at Frigate Bay overlooking the golf course. An upscale villa development is under construction. Twenty-eight villas have been sold and constructed to date.</b>  <b>4,000 square foot lot at corner of western approach road to Frigate Bay South.</b>
<b>South East Peninsula</b>	<b>One lot at Banana Bay 22,000 square feet.</b>
<b>Conaree Lands</b>	<b>One developed lot remaining for sale.</b>  <b>Approximately 1.54 acres of partially developed land on which a middle income housing development has started. Twelve homes have been constructed so far.</b>

## **NEVIS**

<b>Charlestown</b>	<b>TDC Plaza - Main Street Building (Office and Retail Spaces)</b>  <b>Longstone Property (Office and Rental Spaces); historic building on 18,210 square feet of land.</b>
<b>Pinneys</b>	<b>Home &amp; Building Depot Automotive Division Lumber Yard and Drinks Depot Cement warehouse General Offices</b>
<b>Long Point</b>	<b>Land and Building (Shipping Department adjacent to Port facilities) 3.42 acres – Has great long term potential for future development as the area around the Port develops</b>
<b>Corner of Prince William and Market Streets</b>	<b>Original size 2,684 square feet.</b>
<b>Corner of Prince William and Market Streets (Opposite Shell)</b>	<b>Area of 7,232 square feet. Formerly used as retail space. Now rented to local furniture manufacturer.</b>
<b>Clarks Estate</b>	<b>Approximately 56 acres of prime land adjacent to the Four Seasons Estates. Slated for future development for high end villa development.</b>

### **3. Legal Proceedings.**

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

**No legal proceedings commenced during the current financial year.**

### **4. Submission of Matters to a Vote of Security Holders.**

If any matter was submitted during the financial year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

**The Thirty-ninth Annual General Meeting was held at the Fisherman's Wharf Restaurant on Monday, July 30, 2012.**

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

**Yes, the meeting involved the election of Directors to replace those retiring by rotation.**

**Directors, who retired by rotation, were Melvin R. Edwards, Myrna R Walwyn and Kenneth N. Kelly. All directors were unanimously re-elected.**

**The other directors whose term of office continued are D. Michael Morton, Earle A. Kelly, Glenville R. Jeffers, Nicolas N. Menon, Ernie A. France, Charles L Wilkin, Clive R. Ottley and Jacques A Cramer.**

- (c) A brief description of each other matter voted upon at the meeting and state the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

**Other matters voted upon were as follows:-**

- 1. The re-election of the Auditors, Pannell Kerr Forster, who were re-elected unanimously for another financial year.**
- 2. To declare a final dividend of 3.00 cents per share.**

- (d) A description of the terms of any settlement between the registrant and any other participant.

- (e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

**5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.**

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.



**No equity securities were sold by the Company.**

**6. Financial Statements and Selected Financial Data.**

Provide audited Financial Statements, Statement of Revenue Reserves, and Changes in Financial Position for the year ended. The relevant financial data items to be used in constructing the financial statements are provided in Parts A-D.

Include the following documents with the financial statement:

- (i) Auditor's report;
- (ii) A balance sheet as of the end of each of the two most recent financial years.
- (iii) Consolidated statements of income, statements of cash flows, and statements of other stockholders' equity for each of the two financial years preceding the date of the most recent audited balance sheet being filed.
- (iv) Financial statements for the most recent financial year.
- (v) Notes to Financial Statements

**7. Disclosure About Risk Factors.**

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

**The early signs of a rebound in the economy of the United States, the major source of foreign investment, students and tourists point to an improved economic outlook for the Federation. Planned tourism related projects also give hope that the long recessionary period may be ending. The construction and related sectors have become very dependent on the Citizenship by Investment Program but we are concerned about its sustainability. Additional sources of direct foreign investment will be required for long term economic progress.**

**Despite the progress made in 2012 to reduce the incidence of violent crime in the Federation, murders are back to 2011 levels. We continue to be concerned about the impact of inordinately high levels of violent crime on the economy. In addition to short term improvements in policing and crime fighting, collaborative effort involving all social partners is required to counter, on a long term basis, the lifestyle, cultural and other factors which are fuelling violent crime and anti-social behaviour, mainly by our young men. We remain extremely vulnerable to this phenomenon.**

### **Changes in Securities and Use of Proceeds.**

- (a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

N/A

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

- Offer opening date (provide explanation if different from date disclosed in the registration statement)
- Offer closing date (provide explanation if different from date disclosed in the registration statement)
- Name and address of underwriter(s)
- Amount of expenses incurred in connection with the offer
- Net proceeds of the issue and a schedule of its use
- Payments to associated persons and the purpose for such payments

N/A

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

N/A

### **8. Defaults Upon Senior Securities.**

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.

N/A

- (b) If any material arrears in the payment of dividends has occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

N/A

**9. Management's Discussion and Analysis of Financial Condition and Results of Operation.**

Provide a discussion of the results of operation covering aspects such as liquidity, capital resources and results of operations. Discuss reporting issuer's financial condition, changes in financial condition and results of operations during the financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

**At 31 January 2013 the total bank debts stood at \$56,713,171 compared to \$56,607,880 last year.**

**Net cash flows from operating activities was \$13,792,709 compared to \$10,456,916 last year. Net Cash outflow from investing activities utilized was (\$2,121,328) compared to \$17,783,277.**

**Net Cash inflow from financing activities was (\$5,551,545) compared to a net outflow of \$2,065,911 last year.**

**During the year, the Group used its overdraft facilities and internally generated funds to finance its operations.**

**The Group experienced 3.53% decline in its revenues and 11.66% decline in its Net Income, before provision for taxation.**

**TDC's financial condition and Balance Sheet remain relatively strong. At 31 January 2013, the company had \$26,292,112 in Cash and Short-term Investments. Shareholders Equity stood at \$160,773,304 up slightly over last year.**

**Existing sources of capital, together with cash flows from operations, are expected to be adequate to meet foreseeable cash requirements.**

**(i) Liquidity**

Identify any known trends, commitments, demands, events that will result in or that are reasonably likely to result in the reporting issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

**(ii) Capital Resources**

Describe the reporting issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of Schemes needed to fulfil such commitments. Describe any material trends, favourable or unfavourable in the

reporting issuer's capital resources and any expected change in mix. The discussion should consider changes between equity, debt and any off-balance sheet financing arrangements

(iii) **Results of Operation.**

Describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and in each case indicate the extent the income was so affected. Describe any known trends or uncertainties that have had or that the reporting issuer reasonably expects will have a material favourable or unfavourable impact on net sales or revenues or income from continuing operations. If the reporting issuer knows of events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), the changes in relationship should be disclosed

**11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.**

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

### **Report of the Auditors**

We have audited the accompanying consolidated financial statements of **St. Kitts Nevis Anguilla Trading and Development Company Limited and its Subsidiaries ('the Group')** which comprise the Consolidated Financial Position as at 31 January 2013 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 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.

#### **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' judgement, 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 31 January 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **PKF**

Chartered Accountants  
Basseterre  
St. Kitts

10 July, 2013

## **12. Directors and Executive Officers of the Reporting Issuer.**

Furnish biographical information on directors and executive officers indicating the nature of their expertise and ability to contribute in the business development efforts of the reporting issuer.

**A summary of the Board composition is as follows:-**

### **Mr D Michael Morton – Group Chairman/CEO**

**Mr Morton became a Group Executive Director in 1983; Chairman/Chief Executive Officer in 2001; Managing Director of St Kitts Masonry Products Limited in 1999. He is President of the St Kitts Nevis Chamber of Industry and Commerce; Director of the Brimstone Hill Fortress National Park; Deputy Chairman of the Eastern Caribbean Securities Exchange and a Director of the Cave Hill School of Business; Honorary Consul General of the Republic of Turkey to St Kitts-Nevis; Honorary Warden for the Canadian Government in St Kitts-Nevis; Former deputy Chairman of the Social Security Board of St Kitts-Nevis; Former Director of Development Bank of St Kitts-Nevis**

### **Mr Earle A Kelly – Group Finance Director/Deputy Chairman**

**Mr Kelly was named Deputy Chairman effective February 01<sup>st</sup> 2013.**

**He became a Group Executive Director in 2000; Group Finance Director in 2002; Director/Company Secretary of St Kitts Masonry Products Ltd; Chairman of the Board of St Kitts Bottling Company Limited. Mr Kelly holds a Bachelor of Arts degree in Accounting and a Masters in Business Administration.**

**Mr Ernie A France – Director**

Mr Ernie France became a Group Executive Director in 2007. He is the former General Manager of the company's operations in Nevis and Director of several companies in the Group. Mr France is a Director of the Chamber of Industry and Commerce and the Hotel and Tourism Association.

**Mr Nicolas N Menon – Director**

Mr Menon became a Group Executive Director in 2000; Director of St Kitts Bottling Company Limited. He is also the president of the Hotel and Tourism Association (HTA). Mr Menon holds a Bachelor of Science Degree and Masters Degree in Business Administration.

**Mr. Glenville R. Jeffers – Director**

Mr Jeffers was named a Director February 1, 2011. He has worked with the company for over 25 years and served in various capacities as Accounts Clerk, Accounting Supervisor, Chief Accountant and General Manager of the company's Business Equipment Department and Home and Building Depots. He is President of St Kitts Nevis Amateur Athletic Association and Secretary General of St Kitts Nevis Olympic Association.

Holds a Bachelors Degree in Business Administration from Pace University.

**Mr Jacques A Cramer – Director**

Mr Cramer is a founding Director of the TDC Group; Managing Director of J Cramer Real Estate; Former Member of the Public Service and Police Service Commissions of St Kitts Nevis; Former Chairman of the Eastern Caribbean Currency Authority (now Eastern Caribbean Central Bank); Honorary Warden for the Canadian Government in St Kitts Nevis; Honorary Consul for Israel in St Kitts and Nevis.

**Mr Charles L A Wilkin Q.C- Director and Legal Counsel**

Mr Wilkin became a Director of the Group in 1978; became a Barrister-at-Law in 1971 having gained a MA degree from Cambridge University; became a Queen's Counsel in 1998. He has been the Senior Partner at the law firm, Kelsick, Wilkin and Ferdinand since 1988.

**Mrs Myrna R Walwyn – Director**

Mrs Walywn became a Director in 2000; became a Barrister-at-Law in 1980; member of the Middle Temple Inns of the Courts of London; Senior Partner of the law firm, Myrna Walwyn and Associates. Holds a Bachelor of Science (Hons) degree in Social Sciences and M A degrees in Law and Sociology.

**Dr Clive E Ottley – Director**

**Dr Ottley became a Director in 1990. He is a retired Obstetrician/Gynaecologist and currently owns and manages a software development and consultancy firm.**

**Mr Kenneth N Kelly – Director**

**Mr Kelly became a Director in 1990. He is a Merchant and Realtor; established Barker and Kelly (Partners) Ltd, a supermarket operator, importer/wholesaler and ships' agent in 1960; developer of several housing estates in St Kitts.**

**Mr Melvin R Edwards – Director**

**Mr Edwards became a Director in 2005. He is an experienced regional Management Consultant, a capacity in which he has advised several regional and international institutions and governments. He is a former President of the Caribbean Confederation of Credit Unions and a former President of the World Council of Credit Unions.**

**Ms Maritza S Bowry – Company Secretary/Chief Accountant**

**Appointed Company Secretary and Group Chief Accountant in 2001; former Assistant Manager, TDC Airline Services Ltd; holds a BSc Degree in Accounting and Economics and a MBA degree with a concentration in Finance.**

**13. Security Ownership of Certain Beneficial Owners and Management.**

Furnish percentage shareholdings of beneficial owners and management with holdings in excess of 5%.

**Michael L King – 6.6%**

**Jacques A Cramer – 9.5%**

**14. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - K report.

**15. List of Exhibits**

List all exhibits, financial statements, and all other papers and documentation filed with this report.

## **Part A**

### **Relevant Financial Data Items for Commercial and Industrial Companies**

#### **Item Descriptions**

- Cash and Cash Items
- Marketable securities
- Notes and Accounts Receivables-Trade
- Allowances for doubtful accounts
- Inventory
- Total Current Assets
- Intangible Assets
- Property Plant and Equipment
- Accumulated Depreciation
- Other Assets (explain)
- Total Assets
- Accounts Payable
- Total Current Liabilities
- Other Liabilities (explain)
- Bonds, mortgages and similar debt
- Preferred stock-mandatory redemption
- common stock
- other stockholder's equity
- Total liabilities and stockholder's equity
- net sales of tangible products
- total revenues
- cost of tangible goods sold
- total costs and expenses applicable to sales and revenues
- other costs and expenses
- provision for doubtful accounts and notes
- Interest and amortisation of debt discount
- Income before taxes and other items
- income tax expense
- income/loss continuing operations
- Discontinued operations
- extraordinary items
- Cumulative effect-changes in accounting principles
- net income or loss
- earnings per share -primary
- earnings per share - fully diluted



## **Part B**

### **Relevant Financial Data Items for Bank Holding Companies and Banks**

#### **Item Descriptions**

- Cash and due from banks
- interest bearing deposits
- Borrowings from the ECCB, Inter-bank Market activity and other bank borrowings
- trading account assets
- investment and mortgage backed securities held for sale
- Investments: to provide schedule of type, rates, maturity and place – (whether domestic/regional or foreign)
- loans
- allowances for losses
- Fixed Assets
- total assets
- other liabilities
- Total deposits
- short-term borrowings
- long-term debt
- preferred stock-mandatory redemption
- preferred stock-no mandatory redemption
- common stocks
- other stockholder's equity
- total liabilities and stockholder's equity
- contingent accounts
- interest and fees on loans
- interest and dividends on investments
- other interest income
- total interest income
- interest expense on deposits
- total interest expense
- net interest income
- provision for loan losses
- investment securities gains/losses
- other expenses
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items
- cumulative changes in accounting principles
- net income or loss
- earnings per share-primary
- earnings per share- fully diluted

## **Part C**

### **Relevant Financial Items for Broker-Dealers Holding Companies**

#### **Items Description**

- Cash and cash items
- receivables from brokers and dealers, customers and others
- securities purchased under resale agreements
- financial instruments owned
- fixed assets
- total assets
- short term borrowings including commercial paper
- payable to customers, brokers/dealers (including clearing brokers) and others
- securities sold under agreements to repurchase
- long-term debt
- preferred stock-mandatory redemption
- preferred stock - no mandatory redemption
- common stock
- other stockholder's equity
- total liabilities and stockholder's equity
- revenue from trading activities
- interest and dividends
- commissions
- interest expense
- other sources of revenue
- compensation and employee related expense
- income/loss before income tax
- income/loss before extraordinary items
- extraordinary items, less tax
- cumulative change in accounting principles
- net income or loss
- earnings per share- primary
- earnings per share - fully diluted

## **Part D**

### **Relevant Financial Data Items for Public Utility and Utility Holding Companies**

#### **Item Descriptions**

- total net utility plant
- other property and investments
- total current assets
- total deferred charges
- balancing amount for total assets
- total assets
- common stock
- capital surplus, paid in,
- retained earnings
- total common stockholders equity
- preferred stock subject to mandatory redemption
- preferred stock not subject to mandatory redemption
- long term debt, net
- short term notes
- notes payable
- commercial paper
- long term debt-- current portion
- preferred stock-- current portion
- obligation under capital leases
- obligation under capital leases--current portion
- balancing amount for capitalisation and liabilities
- total capitalisation and liabilities
- gross operating revenue
- other operating expense
- total operating expense
- operating income (loss)
- other income (loss), net
- income before interest charges
- total interest charges
- net income
- preferred stock dividends
- earnings available for common stock
- common stock dividends
- total annual interest charges on all bonds
- cash flow from operations
- earnings per share –primary
- earnings per share – fully diluted

ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2013

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**PKF**

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Chartered Accountants &  
business advisers

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**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

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Chartered Accountants  
& business advisers

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## INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED

We have audited the accompanying financial statements of **St Kitts-Nevis-Anguilla Trading and Development Company Limited** which comprise the statement of financial position as at 31 January 2013, and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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' judgement, 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.

PKF /P. O. Box 335/"Independence House"/North Independence Square/Basseterre/St. Kitts  
Tel: (869) 465-2215/465-2746/4664925 Fax: (869) 466-2091/465-1098 Email: [pannellis@sisterisles.kn](mailto:pannellis@sisterisles.kn)

Partners: Omax A. E. Gardner Wilbur A. Harrigan, OBE

TO THE SHAREHOLDERS

ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of **St Kitts-Nevis-Anguilla Trading and Development Company Limited** as of 31 January 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF

Chartered Accountants:

BASSETTERRE - ST KITTS  
10 July 2013

PKF

**STATEMENT OF FINANCIAL POSITION**  
**AT 31 JANUARY 2013**  
(Expressed in Eastern Caribbean Dollars)

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment (Schedule 3 – Page 12)	3	81,937,493	82,374,504
Non-current Receivable – Subsidiary	4	-	200,000
Investments	5	<u>83,425,869</u>	<u>83,869,911</u>
		<u>165,363,362</u>	<u>166,444,415</u>
<b>Current Assets</b>			
Cash in hand at bank		422,405	2,877,015
Trade Receivables	6(a)	6,598,924	4,988,248
Other Receivables	6(b)	1,022,114	1,404,860
Loan due from Subsidiary – Current	4	-	600,000
Amounts due from Subsidiaries	7	8,535,793	10,550,109
Inventories	2(c)	19,750,954	21,396,348
Goods in transit	2(c)	737,442	554,618
Taxation Recoverable	12	-	<u>186,530</u>
<b>Total Current Assets</b>		<u>37,067,632</u>	<u>42,557,728</u>
<b>TOTAL ASSETS</b>		<u>\$202,430,994</u>	<u>\$209,002,143</u>

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



**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AT 31 JANUARY 2013**

(Expressed in Eastern Caribbean Dollars)

(Continued)

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	8	52,000,000	52,000,000
Reserves		<u>53,722,280</u>	<u>54,339,210</u>
<b>Total Equity (Page 13)</b>		<u>105,722,280</u>	<u>106,339,210</u>
<b>Non-current Liabilities</b>			
Bank and Other Loans – Non-current	9	24,065,404	20,276,740
Amount due to Subsidiary Companies	7	6,129,040	7,129,040
Employee Benefit Fund		3,661,368	3,514,367
Deferred Tax Liability	10	<u>4,038,122</u>	<u>3,910,282</u>
		<u>37,893,934</u>	<u>34,830,429</u>
<b>Current Liabilities</b>			
Loans and overdrafts	9	19,963,898	22,260,899
Trade Payables	11(a)	5,216,898	4,841,128
Other Payables	11(b)	23,106,893	26,563,903
Amounts due to subsidiaries	7	10,419,222	14,166,574
Provision for Taxation	12	<u>107,869</u>	<u>-</u>
<b>Total Current Liabilities</b>		<u>58,814,780</u>	<u>67,832,504</u>
<b>Total Liabilities</b>		<u>96,708,714</u>	<u>102,662,933</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>\$202,430,994</u>	<u>\$209,002,143</u>

Approved by the Board of Directors on 10 July 2013.

  
 \_\_\_\_\_  
 D M Morton, Chairman

  
 \_\_\_\_\_  
 N N Menon, Director

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
(Expressed in Eastern Caribbean Dollars)

	<u>2013</u>	<u>2012</u>
NET LOSS - (Page 7)	(1,057,823)	(3,342,254)
Profit on Disposal of Property, Plant and Equipment	<u>49,707</u>	<u>168,262</u>
LOSS BEFORE TAXATION	(1,008,116)	(3,173,992)
Taxation (Note 12)	<u>(422,239)</u>	<u>718,645</u>
LOSS AFTER TAXATION	(1,430,355)	(2,455,347)
DIVIDENDS RECEIVED (Tax Free) (Schedule 2 - Page 11)	<u>2,460,844</u>	<u>2,602,490</u>
NET INCOME CARRIED TO STATEMENT OF COMPREHENSIVE INCOME (Page 6)	<u>\$1,030,489</u>	<u>\$147,143</u>
EARNINGS PER SHARE (See Note 13)	<u>\$0.02</u>	<u>\$0.003</u>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

	<u>2013</u>	<u>2012</u>
Income for the Year (Page 5)	1,030,489	147,143
<b>Other Comprehensive Income:</b>		
Unrealised holding gain	(251,659)	(100,182)
Surplus on revaluation		
- Investments in associated companies	294,240	926,630
Adjustment – Re: Derecognition of interest in associated company	-	1,451,377
Negative goodwill on acquisition of interest in subsidiary company	-	714,260
Reversal of reserves in associated company derecognized	<u>-</u>	<u>(2,098,589)</u>
<b>TOTAL COMPREHENSIVE INCOME CARRIED TO STATEMENT OF CHANGES IN EQUITY (Page 13)</b>	<b><u>\$1,073,070</u></b>	<b><u>\$1,040,639</u></b>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**SCHEDULE TO INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

**SCHEDULE 1**

	<u>Schedule</u>	<u>2013</u>	<u>2012</u>
TURNOVER (See Note 2(h))		<u>\$71,255,627</u>	<u>\$70,204,730</u>
INCOME ON TRADING			
Home and Building Depot		8,228,262	8,088,773
Motor Vehicles and Spares		<u>2,321,224</u>	<u>1,823,584</u>
TOTAL INCOME ON TRADING (Page 8)	1.1	<u>10,549,486</u>	<u>9,912,357</u>
OTHER INCOME			
Sands Revenue		357,962	(135,182)
Commissions		20,273	54,766
Interest Received		413,015	468,894
Rents		4,281,997	4,481,384
Truck Operating Income		305,256	248,969
Vehicle Service Department		158,384	30,079
Management and Administration Fees		1,605,099	1,578,910
Shipping		614,219	662,394
Electrical Repairs		102,691	35,930
Miscellaneous Trading Revenue		197,688	171,061
MV Puerto Real/Triumph		<u>156,919</u>	<u>351,383</u>
		<u>8,213,503</u>	<u>7,948,588</u>
TOTAL INCOME		<u>18,762,989</u>	<u>17,860,945</u>
Deduct: OVERHEADS			
Selling Expenses (Page 9)	1.2	2,333,996	2,528,574
Personnel Expenses (Page 9)	1.2	5,029,433	5,025,165
Operating Expenses (Page 10)	1.2	6,174,880	6,194,178
Financial, Legal and Professional Expenses (Page 10)	1.2	<u>6,282,503</u>	<u>7,455,282</u>
		<u>19,820,812</u>	<u>21,203,199</u>
NET LOSS CARRIED TO INCOME STATEMENT (Page 5)		<u>\$(1,057,823)</u>	<u>\$(3,342,254)</u>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**DEPARTMENTAL TRADING STATEMENT**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

**SCHEDULE 1.1**

	Home & Building Depot	Motor Vehicles and Spares	Total 2013	Total 2012
<b>SALES</b>				
	<u>44,868,928</u>	<u>21,999,180</u>	<u>66,868,108</u>	<u>66,792,423</u>
<b>LESS: Cost of Sales:</b>				
Opening Stock	11,179,269	8,325,267	19,504,536	20,659,631
Purchases	<u>34,037,098</u>	<u>19,319,155</u>	<u>53,356,253</u>	<u>53,318,854</u>
Closing Stock	45,216,367	27,644,422	72,860,789	73,978,485
	<u>(10,586,830)</u>	<u>(8,372,875)</u>	<u>(18,959,705)</u>	<u>(19,504,536)</u>
<b>COST OF SALES</b>	<u>34,629,537</u>	<u>19,271,547</u>	<u>53,901,084</u>	<u>54,473,949</u>
<b>GROSS PROFIT</b>	10,239,391	2,727,633	12,967,024	12,318,474
Equipment Rentals and Repairs	168,867	-	168,867	214,920
Profit and Handling Charges	85,850	108,354	194,204	277,908
on Inter Group Transfers				
<b>LESS: RELATED EXPENSES</b>				
Salaries and Wages	10,494,108	2,835,987	13,330,095	12,811,302
	<u>(2,265,846)</u>	<u>(514,763)</u>	<u>(2,780,609)</u>	<u>(2,898,945)</u>
<b>NET TRADING INCOME (Page 7)</b>	<u>\$8,228,262</u>	<u>\$2,321,224</u>	<u>\$10,549,486</u>	<u>\$9,912,357</u>
<b>GROSS PROFIT % ON SALES 2013</b>	22.8%	12.4%	19.4%	18.4%
<b>GROSS PROFIT % ON SALES 2012</b>	21.9%	10.6%	-	-

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

<b><u>SCHEDULE 1.2</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>SELLING EXPENSES</u></b>		
Pilferage and Other Losses	2,351	300
Advertising, Sales Promotion, etc	944,574	744,823
Motor Vehicle Expenses	590,392	583,396
Motor Vehicle Depreciation	409,603	404,624
Plant and Machinery Depreciation	285,438	284,779
Entertainment	165,497	190,441
Rebates, Discounts and Warranties	248,322	69,725
Cash (Overs)/Shorts	64	(447)
Bad and Doubtful Debts/(Recovered)	(312,245)	250,933
<b>TOTAL (Page 7)</b>	<b><u>\$2,333,996</u></b>	<b><u>\$2,528,574</u></b>
<b><u>PERSONNEL</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Salaries and Wages - Administration	1,415,753	1,625,546
- Accounting	684,172	677,417
- Human Resources	294,892	314,818
- Internal Audit	277,718	273,323
- Purchasing and Customs	374,282	103,908
- Marketing	138,780	129,088
Bonuses and Gratuity	115,294	27,970
Pension Fund and Social Security	1,065,131	1,112,191
Health Insurance	112,500	118,875
Directors' Fees	180,000	158,000
Staff Training	356,013	458,173
Staff Uniforms	<u>14,898</u>	<u>25,856</u>
<b>TOTAL (Page 7)</b>	<b><u>\$5,029,433</u></b>	<b><u>\$5,025,165</u></b>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****OPERATING EXPENSES**  
**FOR THE YEAR ENDED 31 JANUARY 2013**(Cont'd)  
(Expressed in Eastern Caribbean Dollars)

<u>SCHEDULE 1.2</u> (cont'd)	<u>2013</u>	<u>2012</u>
<u>OPERATING EXPENSES</u>		
Electricity	1,157,878	401,183
Telephone and Cables	386,944	380,579
Printing and Stationery	140,775	122,494
Building Repairs and Security	571,163	850,301
Subscriptions	52,984	45,169
Overseas Travel	154,758	142,029
Repairs - Furniture and Machinery	375,693	338,345
Depreciation - Furniture and Fittings	163,705	162,649
Depreciation -Buildings	959,594	972,161
Postage	58,796	56,262
General Expenses	490,224	394,127
Office Expenses	44,556	37,799
Annual Report - Annual General Meeting	137,776	113,706
Computer Installation and Consultancy	127,308	163,582
Rates, Taxes and Licences	220,619	533,270
General Insurance	601,288	674,541
Stock Exchange	44,197	42,115
Impairment of investments	<u>486,622</u>	<u>763,866</u>
TOTAL (Page 7)	<u>\$6,174,880</u>	<u>\$6,194,178</u>
<u>FINANCIAL, LEGAL AND PROFESSIONAL EXPENSES</u>	<u>2013</u>	<u>2012</u>
Audit Fees and Expenses	227,702	254,143
Legal and Professional Fees	236,299	372,731
Interest	4,927,431	6,005,859
Bank Charges	<u>891,071</u>	<u>822,549</u>
TOTAL (Page 7)	<u>\$6,282,503</u>	<u>\$7,455,282</u>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**DIVIDENDS RECEIVED**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

**SCHEDULE 2**

	<u>2013</u>	<u>2012</u>
St Kitts Masonry Products Limited	400,000	300,000
Carib Brewery (St Kitts & Nevis) Limited	409,500	126,000
Cable and Wireless St Kitts & Nevis Limited	30,240	52,920
St Kitts Bottling Company Limited	61,418	31,937
SKNA National Bank Limited	55,000	90,000
The Bank of Nevis	4,686	-
Tru Serv Corporation	-	1,633
St Kitts Nevis Insurance Company Limited	<u>1,500,000</u>	<u>2,000,000</u>
TOTAL (Page 5)	<u>\$2,460,844</u>	<u>\$2,602,490</u>

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



**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 31 JANUARY 2013**  
(Expressed in Eastern Caribbean Dollars)

**SCHEDULE 3**

	G R O S S C A R R Y I N G A M O U N T S			D E P R E C I A T I O N			N E T C A R R Y I N G A M O U N T S	
	31/1/12	Additions	Disposals/ Transfers	31/1/13	Accumulated 31/1/12	Current	Disposals/ Transfers	Accumulated 31/1/13
Land and Buildings	83,257,215	382,535	—	83,639,750	3,886,104	959,594	—	4,845,698
Motor Vehicles	5,269,142	606,639	(792,432)	5,083,349	3,650,645	409,603	(615,313)	3,444,935
Furniture, Fittings and Equipment	3,079,538	97,557	(130,145)	3,046,950	2,998,613	97,081	(128,413)	2,967,281
Computers and Equipment	1,293,408	170,686	(14,610)	1,449,484	1,018,236	66,624	(12,915)	1,071,945
Plant and Equipment	3,357,947	264,743	—	3,622,690	2,530,768	215,317	—	2,746,085
Construction Equipment	313,205	37,052	(23,171)	327,086	247,611	40,534	(21,411)	266,554
Containers	894,902	13,451	(14,031)	894,322	758,876	29,764	(5,000)	783,640
	8,939,000	583,489	(181,957)	9,340,532	7,554,104	449,140	(167,739)	7,835,505
TOTAL	\$97,465,357	\$1,572,663	\$(974,389)	\$98,063,631	\$15,090,853	\$1,818,337	\$(783,052)	\$16,126,138
								\$81,937,493
								\$82,374,504

As explained in Note 9 to the Financial Statements, the Company's Property, Plant and Equipment have been charged to secure bank advances.

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Expressed in Eastern Caribbean Dollars)

	<u>Share Capital</u>	<u>Unrealised Holding Gain</u>	<u>Capital Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at 31 January 2011	52,000,000	1,277,251	25,502,820	29,508,500	108,288,571
Total Comprehensive Income (Page 6)	-	(100,182)	993,678	147,143	1,040,639
Transfer of realized revaluation Gain to Retained Earnings	-	-	(905,394)	905,394	-
Dividend paid – 5.75 cents per share (Note 8)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,990,000)</u>	<u>(2,990,000)</u>
Balance at 31 January 2012 (Page 4)	<u>\$52,000,000</u>	<u>\$1,177,069</u>	<u>\$25,591,104</u>	<u>\$27,571,037</u>	<u>\$106,339,210</u>
Balance at 31 January 2012	52,000,000	1,177,069	25,591,104	27,571,037	106,339,210
Total Comprehensive Income (Page 6)	-	(251,659)	294,240	1,030,489	1,073,070
Dividend paid – 3.25 cents per share (Note 8)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,690,000)</u>	<u>(1,690,000)</u>
Balance at 31 January 2013 (Page 4)	<u>\$52,000,000</u>	<u>\$925,410</u>	<u>\$25,885,344</u>	<u>\$26,911,526</u>	<u>\$105,722,280</u>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2013**

(Expressed in Eastern Caribbean Dollars)

<b>CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>2013</b>	<b>2012</b>
Income/(Loss) before taxation	1,452,728	(571,502)
Depreciation	1,818,337	1,824,213
Gain on Disposal of Property, Plant and Equipment	(49,707)	(168,262)
Impairment of Investments	<u>486,622</u>	<u>763,865</u>
	3,707,980	1,848,314
<b>CHANGES IN WORKING CAPITAL BALANCES OTHER THAN CASH AND CURRENT PORTION OF LONG TERM DEBT</b>		
Trade Accounts Receivable	(1,610,676)	2,016,468
Other Accounts Receivable and Prepayments	382,746	619,776
Due from Subsidiaries	2,014,316	(190,983)
Loan due from Subsidiary – current portion	200,000	-
Inventories	1,645,394	1,311,632
Goods Intransit	(182,824)	(46,191)
Trade Accounts Payable	375,770	(1,063,069)
Other Accounts Payable	(3,457,102)	(1,614,495)
Due to Subsidiaries	(3,747,352)	(2,022,567)
Taxation Paid	<u>-</u>	<u>(449,267)</u>
<b>Net cash outflow/inflow from operating activities</b>	<b><u>(671,658)</u></b>	<b><u>409,618</u></b>
<b>CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(1,572,663)	(2,399,705)
Proceeds from sale of Property, Plant and Equipment	241,040	2,139,566
Purchase of Investments	-	(7,126,837)
Loan Receivable	<u>600,000</u>	<u>(600,000)</u>
<b>Net cash outflow from investing activities</b>	<b><u>(731,623)</u></b>	<b><u>(7,986,976)</u></b>
<b>CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES</b>		
Bank and Other Loans - Net Received	3,582,264	7,678,637
Increase in Employment Benefits Fund	147,001	3,514,367
Dividends Paid to shareholders	(1,690,000)	(2,990,000)
Decrease in amount due to Subsidiaries – non-current	<u>(1,000,000)</u>	<u>-</u>
<b>Net cash inflow/(outflow) from financing activities</b>	<b><u>1,039,265</u></b>	<b><u>8,203,004</u></b>
<b>CASH (DECREASE)/INCREASE FOR THE YEAR</b>	<b>(364,016)</b>	<b>625,646</b>
<b>CASH POSITION - at beginning of year</b>	<b><u>(15,821,995)</u></b>	<b><u>(16,447,641)</u></b>
<b>CASH POSITION - at end of year</b>	<b><u>\$(16,186,011)</u></b>	<b><u>\$(15,821,995)</u></b>
<b>Comprised of:</b>		
Cash in hand and at bank	422,405	2,877,015
Bank Overdrafts	<u>(16,608,416)</u>	<u>(18,699,010)</u>
	<b><u>\$(16,186,011)</u></b>	<b><u>\$(15,821,995)</u></b>

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**  
 (Expressed in Eastern Caribbean Dollars)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Incorporation:

The Company was incorporated as a Public Limited Company on 8 January 1973 under the provisions of Chapter 335 of the Companies Act of the Laws of St Kitts-Nevis.

In accordance with the provisions of the Companies Act (No. 22 of 1996), the Company was re-registered as a company with limited liability under the provisions of the Companies Act (No. 22 of 1996).

Registered Office

The Registered Office of the Company is situated at Fort Street, Basseterre, St Kitts.

Principal Activities

The Company is engaged in the business of trading as General Merchants, Manufacturers' Representatives and Commission Agents.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

These financial statements are prepared on the historical cost basis modified to give effect to the revaluation of certain property, plant and equipment and available-for-sale financial assets.

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 Interpretations Committee) interpretations effective on or after the dates indicated.

**New and amended Standards and interpretations in effect and applicable**

IFRS 7 – Financial Instruments: Disclosures- effective 1 July 2011

IAS 12 – Deferred Tax: Recovery of Underlying Assets – 1 January 2012

Adoption of these standards and interpretations did not have any effect on the performance of the company.

**New and amended Standards and interpretations in issue but not effective and not early adopted**

IAS 1 – Presentation of Financial Statements - effective 1 July 2012

IAS 19 – Employee Benefits – effective 1 January 2013

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Basis of Accounting: (cont'd)

**New and amended Standards and interpretations in issue but not effective and not early adopted (cont'd)**

IAS 27 – Separate Financial Statements – effective 1 January 2013

IAS 28 – Investment in Associates and Joint Ventures – effective 1 January 2013

IAS 32 – Financial Instruments: Presentation – effective 1 January 2014

IFRS 1 – First time Adoption of International Financial Reporting Standards – effective 1 January 2013

IFRS 7 – Financial Instruments: Disclosures – effective 1 January 2013

IFRS 9 – Financial Instruments – effective 1 January 2015

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

Annual Improvements 2009-2011 Cycle for IFRS 1, IAS 1, IAS 16, IAS 32, and IAS 34 -- effective 1 January 2013

Consolidated Financial Statements, Joint Arrangements and Disclosure Interests in Other Entities: Transition Guidance – Amends IFRS 10, IFRS 11 and IFRS 12 – effective 1 January 2013

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – effective 1 January 2014

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine – effective 1 January 2013

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Revenue Recognition:

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

Sales to third parties

Revenue from 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 income is recognised as the interest accrues, unless collectibility is in doubt.

Dividend

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

Rental Income

Rental Income is accounted for on the straight-line basis over the lease term.

c) Inventories and Goods in Transit:

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

2      **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

d)      **Property, Plant and Equipment:**

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. Plant and equipment are stated at cost less related accumulated depreciation.

e)      **Depreciation of Property, Plant and Equipment:**

Depreciation is calculated to write off the assets over their estimated useful lives using the reducing balance method. Depreciation rates are as follows:

Buildings	2%
Motor Vehicles	20%
Furniture and Fittings	15%
Machinery and Equipment	20% - 40%
Lighters	10%

f)      **Foreign Currencies:**

All amounts are stated in Eastern Caribbean Dollars. Transactions during the year between the company and its customers and suppliers are converted into local currencies at the rates of exchange ruling at the dates of the transactions. Differences arising therefrom 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.

g)      **Taxation:**

The company 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 recognized when it is probable that taxable profits will be available against which the assets may be utilized.

h)      **Turnover:**

Turnover principally comprises sales to third parties and commissions.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) 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 capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

j) Trade and Other Payables:

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 company.

k) Provisions:

Provisions are recognised when the company 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.

l) Trade and Other Receivables:

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.

m) Use of Estimates:

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumption 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.



**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

## n) Investments:

*Subsidiary Companies*

Investments in subsidiary companies are included in the Statement of Financial Position at cost and Directors' valuation less amount written off as deemed appropriate by the Directors.

*Associated Companies*

Associated Companies are included in the Statement of Financial Position on the basis of attributable net tangible asset value (see note 6).

A company is deemed an associated company, if not being a subsidiary, the investment is long-term, not less than 20% of the equity voting rights, and the company directly or indirectly, is in a position to exercise a significant degree of influence on the affairs of the investee company.

*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.

Investments in companies quoted on the Eastern Caribbean 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 Income Statement.

## o) Intangibles:

Intangible assets are identifiable non-monetary assets without physical substance. Computer software meets this description.

Acquired computer software licences, upgrades to software and related costs that are expected to contribute to the future economic benefit of the company are capitalized 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 20% per annum.

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

p) Warranty Claims Provision

The Company generally offers one-year warranties on some of its products. The company estimates the amount and cost of future warranty claims for its current period sales. These estimates are used to record accrued warranty provisions for current period product shipments. The company uses historical warranty claim information, as well as, recent trends that might suggest that past cost information, may differ from future claims.

q) Dividends

Dividends are recognized when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

3 PROPERTY, PLANT AND EQUIPMENT

	<u>Land &amp; Buildings</u>	<u>General Equipment</u>	<u>Total</u>
<b>Year Ended 31 January 2013</b>			
<u>Gross Carrying Amount</u>			
As at 31 January 2012	83,257,215	14,208,142	97,465,357
Additions	382,535	1,190,128	1,572,663
Disposals	—	(974,389)	(974,389)
As at 31 January 2013	<u>83,639,750</u>	<u>14,423,881</u>	<u>98,063,631</u>
 <u>Accumulated Depreciation</u>			
As at 31 January 2012	3,886,104	11,204,749	15,090,853
Additions	959,594	858,743	1,818,337
Disposals	—	(783,052)	(783,052)
As at 31 January 2013	<u>4,845,698</u>	<u>11,280,440</u>	<u>16,126,138</u>
 Net Carrying Amount			
At 31 January 2013 (Page 3)	<u>\$78,794,052</u>	<u>\$3,143,441</u>	<u>\$81,937,493</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Continued)

(Expressed in Eastern Caribbean Dollars)

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	<u>Land &amp; Buildings</u>	<u>General Equipment</u>	<u>Total</u>
<b>Year Ended 31 January 2012</b>			
<u>Gross Carrying Amount</u>			
As at 31 January 2011	83,508,758	14,236,230	97,744,988
Additions	1,243,857	1,155,848	2,399,705
Disposals	(1,495,400)	(1,183,936)	(2,679,336)
As at 31 January 2012	<u>83,257,215</u>	<u>14,208,142</u>	<u>97,465,357</u>
<u>Accumulated Depreciation</u>			
As at 31 January 2011	2,978,258	10,996,412	13,974,670
Additions	972,161	852,052	1,824,213
Disposals	(64,315)	(643,715)	(708,030)
At 31 January 2012	<u>3,886,104</u>	<u>11,204,749</u>	<u>15,090,853</u>
Net Carrying Amount			
At 31 January 2012 (Page 3)	<u>\$79,371,111</u>	<u>\$3,003,393</u>	<u>\$82,374,504</u>

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Revaluation of Properties

Revaluation in 2007

In December 2007, the Company's freehold properties were independently revalued by Cooper Kauffman Limited Professional Valuers. The surplus of \$29,792,735 arising on this revaluation was credited to Capital Reserve.

As explained in Note 9, the property, plant and equipment have been pledged as collateral to secure bank advances.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Continued)

(Expressed in Eastern Caribbean Dollars)

4	LOAN RECEIVABLE – SUBSIDIARY COMPANY	<u>2013</u>	<u>2012</u>
	Due from City Drug Store (2005) Limited:		
	- Current Portion (Page 3)	-	600,000
	- Non Current Portion (Page 3)	<u>-</u>	<u>200,000</u>
		<u>-</u>	<u>\$800,000</u>

This loan which was repayable in minimum monthly instalments of \$50,000 exclusive of interest chargeable at the rate of 6.5% per annum, was repaid in full during the year under review.

5	INVESTMENTS	<u>2013</u>	<u>2012</u>
	i) Subsidiary Companies - At Cost and Valuation		
	Dan Dan Garments Limited		
	225 Ordinary Shares of \$1,000 each - At Cost	222,500	222,500
	75 9% Preference Shares of \$1,000 each - At Cost	2,000	2,000
	St Kitts-Nevis Insurance Company Limited		
	10,000 Ordinary Shares of \$100 each		
	Paid Up – At Valuation		
	20,000 Ordinary Shares of \$100 each - credited as		
	Fully paid (Bonus Issue) - At Valuation	3,000,000	3,000,000
	TDC Rentals Limited		
	5,000 Ordinary Shares of \$1,000 each		
	- At Directors' Valuation	<u>5,000,000</u>	<u>5,000,000</u>
	Sub total carried forward	8,224,500	8,224,500

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Continued)

(Expressed in Eastern Caribbean Dollars)

5	INVESTMENTS (cont'd)	<u>2013</u>	<u>2012</u>
i)	Subsidiary Companies - At Cost and Valuation (cont'd)		
	Sub total brought forward	8,224,500	8,224,500
	TDC Airline Services Limited 250 Ordinary Shares of \$1,000 each - At Directors' Valuation	250,000	250,000
	TDC Real Estate and Construction Limited 1,000 Ordinary Shares of \$1,000 each - At Valuation	1,000,000	1,000,000
	TDC Nevis Limited 40,000 Shares of \$100 each - At Valuation	4,000,000	4,000,000
	TDC Airline Services (Nevis) Limited 150 Ordinary Shares of \$100 each - At Cost	228,000	228,000
	TDC Rentals (Nevis) Limited 30,000 Ordinary Shares of \$100 each - At Valuation	3,000,000	3,000,000
	SNIC (Nevis) Limited 1,000 Ordinary Shares of \$100 each - At Valuation	100,000	100,000
	St Kitts Nevis Finance Company Limited 60,000 Shares of \$100 each - At Valuation	6,000,000	6,000,000
	Ocean Terrace Inn Limited 1,513,158 Ordinary Shares of \$10 each - At Cost	16,352,450	16,352,450
	561,500 6% Cumulative Redeemable Preference Shares of \$10 each	5,615,000	5,615,000
	Conaree Estates Limited 1,500 Ordinary Shares of \$100 each	1,127,436	1,127,436
	Mercator Caribbean Trust Company 1,020 Class A Shares @ US \$100 each - At Cost	<u>275,400</u>	<u>275,400</u>
	Sub-total carried forward	46,172,786	46,172,786

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

5	INVESTMENTS (cont'd)	<u>2013</u>	<u>2012</u>
i)	Subsidiary Companies - At Cost and Valuation (cont'd)		
	Sub-total brought forward	46,172,786	46,172,786
	Sakara Shipping Inc		
	654 Ordinary Shares of \$2,700 each - At Cost	1,628,611	1,628,611
	East Caribbean Reinsurance Co Ltd		
	4,000,000 Ordinary Shares of \$1 each	4,000,000	4,000,000
	TDC Tours Limited		
	100,000 Shares of \$1 each - fully paid up - At Valuation	100,000	100,000
	100,000 Shares of \$1 each - 30% paid up - At Cost	21,000	21,000
	City Drug Store (2005) Limited		
	3,119,582 Ordinary Shares @ \$1 each – At Cost	3,119,582	3,119,582
	City Drug Store (Nevis) Limited		
	450,000 Shares of \$1 each		
	- At Cost less provision for impairment	277,766	277,766
	TDC Real Estate and Construction (Nevis) Limited		
	11,615,251 shares of \$1 each	11,615,251	11,615,251
	St Kitts Bottling Company Limited		
	206,684 (2012 = \$103,342) Ordinary Shares of \$5 each	2,819,486	2,819,486
		<u>69,754,482</u>	<u>69,754,482</u>
ii)	Associated Companies - At Valuation		
	St Kitts Masonry Products Limited		
	6,500 Ordinary Shares of \$100 each – At Valuation	3,981,750	3,868,600
	Malliouhana-Anico Insurance Co Ltd		
	131,375 Shares of \$10 each - At Valuation	3,553,429	3,372,339
	Sub-total	<u>7,535,179</u>	<u>7,240,939</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

5	INVESTMENTS (cont'd)	<u>2013</u>	<u>2012</u>
iii)	Available-for-Sale Investments		
	- At Cost less Amounts Written Off		
	SKNA National Bank Limited		
	500,000 Shares of \$1 each	1,120,000	1,175,000
	Carib Brewery (St Kitts & Nevis) Limited		
	315,000 Ordinary shares of \$1 each	483,750	483,750
	The Bank of Nevis Limited		
	46,862 Ordinary Shares of \$1 each	196,820	269,457
	Cable Bay Hotel Development Company Limited		
	5,523 Shares of US \$100 each	1,066,768	1,328,384
	Deposit on Shares	137,053	137,053
	Cable and Wireless St Kitts-Nevis Limited		
	151,200 shares of \$1 each – at cost	715,176	843,696
	Tru Serv Corporation		
	332 Units of Common Stock at		
	US \$100 each - At Valuation	46,600	42,103
	Banks Barbados Breweries Limited		
	3,300 Ordinary Shares of Bds \$1 each - At Cost	501	501
	Eastern Caribbean Securities Exchange		
	10,000 Class D shares	100,000	100,000
	Federation Media Group		
	1,000 Ordinary Shares of \$100 each		
	-At Cost less provision for impairment	<u>40,000</u>	<u>70,000</u>
	Sub-total carried forward	3,906,668	4,449,944

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

5	INVESTMENTS (cont'd)	<u>2013</u>	<u>2012</u>
	iii) Available-for-Sale Investments		
	- At Cost less Amounts Written Off (cont'd)		
	Sub-total brought forward	3,906,668	4,449,944
	Caribbean Shoe Manufacturers Limited		
	175 Ordinary Shares of \$1,000 each		
	less amount written off \$114,585	1	1
	Caribbean Investments Corporation		
	40 Ordinary Shares of \$100 each		
	less \$3,999 written off		
	(now in liquidation)	1	1
	Wireless Ventures (St Kitts-Nevis) Ltd		
	969 Shares @ US\$1,000 - At Cost less impairment	2,159,538	2,354,544
	Port Services Limited		
	50,000 Ordinary shares at \$1 each	50,000	50,000
	OECS Distribution and Transportation Company Limited		
	Deposit on shares	<u>20,000</u>	<u>20,000</u>
		<u>6,136,208</u>	<u>6,874,490</u>
	TOTAL INVESTMENTS (Page 3)	<u>\$83,425,869</u>	<u>\$83,869,911</u>

**Associated Companies**

Investments in Associated Companies are accounted for on the equity basis as represented in the latest Financial Statements which for one company was the year ended 30 June 2012 and for Malliouhana - Anico Insurance Company Limited was the year ended 31 December 2012.

During the year ended 31 January 2012 St Kitts Bottling Company became a subsidiary.

**Quoted Investments**

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

**Other Investments**

The investments in Caribbean Investments Corporation and Caribbean Shoe Manufacturers Limited have been written down to a nominal value of one dollar (\$1.00) each since no return is anticipated.

**Bonus Share Issue**

During the year under review, St Kitts Bottling Company Limited made a bonus share issue of 1 share for every share held in that company.



**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

## 5 INVESTMENTS (cont'd)

In the opinion of the Directors, the aggregate value of the investments shown is not less than \$83,425,869 (2012 = \$83,869,911).

6	ACCOUNTS RECEIVABLE AND PREPAYMENTS	<u>2013</u>	<u>2012</u>
a)	<u>Trade Accounts Receivable</u>		
	Accounts Receivable (Less Provision for impairment \$4,490,080/2012 = \$4,789,641)	6,372,092	4,536,431
	Amount due from Associated Companies	<u>226,832</u>	<u>451,817</u>
		<u>\$6,598,924</u>	<u>\$4,988,248</u>
	Movement on the Company's provision for impairment of receivables is as follows:		
	Balance – beginning of year	4,789,641	4,519,168
	Provision for impairment receivables	40,401	492,164
	Bad Debts recovered	(335,496)	(149,821)
	Less: Receivables written off during the year	<u>(4,486)</u>	<u>(71,870)</u>
		<u>\$4,490,080</u>	<u>\$4,789,641</u>
b)	<u>Other Accounts Receivable and Prepayments</u>		
	Sundry Accounts Receivable and Prepayments (Page 3)	<u>\$1,022,114</u>	<u>\$1,404,860</u>

At 31 January 2013 the aging analysis of trade receivables is as follows:

	<u>Total</u>	<u>Neither Past due not impaired</u>	<u>Past due but not impaired 30-90days</u>	<u>Over 90 days</u>
2013	<u>\$6,598,924</u>	<u>\$2,152,372</u>	<u>\$1,896,093</u>	<u>\$2,550,459</u>
2012	<u>\$4,988,248</u>	<u>\$2,975,458</u>	<u>\$394,201</u>	<u>\$1,618,589</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

7	RELATED PARTY TRANSACTIONS	<u>2013</u>	<u>2012</u>
	Associated Companies:		
	Sales of goods and services	5,949,052	5,885,205
	Purchase of goods and services	2,001,037	2,226,388
	Management fee income	88,000	88,800
	Dividend Income	461,418	331,937
	Compensation of key management personnel of the Company:		
		<u>2013</u>	<u>2012</u>
	Short-term employee benefits and retirement contributions	<u>\$1,613,326</u>	<u>\$375,418</u>

SKNA TDC Limited manages the TDC Pension Savings Plan for employees of the TDC Group of Companies. There is no liability for any shortfall in the Plan. At the end of the year, the SKNA TDC Limited was indebted to the TDC Pension Savings Plan in the amount of \$4,266,510 (2012 - \$4,811,688). Interest is being charged at the rate of 6 ½% per annum.

<u>Current</u>	<u>2013</u>	<u>2012</u>
Amount due from Subsidiaries:		
TDC Nevis Limited	218,646	-
TDC Airline Services Limited	-	88,193
TDC Airline Services (Nevis) Limited	56,673	2,953
TDC Rentals (Nevis) Limited	-	75,584
Dan Dan Garments Limited	60,543	32,254
TDC Real Estate and Construction Company Limited	413,254	5,026,437
Ocean Terrace Inn Limited	6,275,855	3,957,500
Conaree Estates Limited	424,001	475,343
City Drug Store (2005) Limited	901,040	612,976
City Drug Store (Nevis) Limited	23,336	223,220
St Kitts Bottling Company Limited	138,416	55,649
St Kitts Nevis Finance Company Limited	<u>24,029</u>	<u>-</u>
	<u>\$8,535,793</u>	<u>\$10,550,109</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2013**

(Cont'd)

(Expressed in Eastern Caribbean Dollars)

7	RELATED PARTY TRANSACTIONS (cont'd)	<u>2013</u>	<u>2012</u>
	Amount due to Subsidiaries:		
	TDC Airline Services Limited	401,356	-
	TDC Nevis Limited	-	669,644
	TDC Rentals Limited	3,546,688	1,937,639
	St Kitts Nevis Insurance Company Limited	4,684,036	7,237,938
	SNIC (Nevis) Limited	11,769	7,690
	TDC Rentals (Nevis) Limited	59,445	-
	St Kitts Nevis Finance Company Limited	-	1,714,778
	Sakara Shipping Inc	488,258	1,714,293
	TDC Tours Limited	512,105	397,398
	Eastern Caribbean Reinsurance Company Limited	670,709	438,373
	Mercator Caribbean Trust Company Limited	<u>44,856</u>	<u>48,821</u>
	TOTAL (Page 4)	<u>\$10,419,222</u>	<u>\$14,166,574</u>
	<u>Non-Current</u>		
	Amount due to Subsidiaries Companies:	<u>2013</u>	<u>2012</u>
	TDC Rentals Limited	1,500,000	1,500,000
	St Kitts Nevis Insurance Company Limited	-	1,000,000
	Eastern Caribbean Reinsurance Company Limited	<u>4,629,040</u>	<u>4,629,040</u>
	TOTAL (Page 4)	<u>\$6,129,040</u>	<u>\$7,129,040</u>
	The loans due to these subsidiary companies are not immediately repayable.		
	Directors' Balances:	<u>2013</u>	<u>2012</u>
	Amount due from Directors	<u>\$8,009</u>	<u>\$51,809</u>
	Amount due to Directors'	<u>\$4,321,279</u>	<u>\$4,698,922</u>
8	SHARE CAPITAL	<u>2013</u>	<u>2012</u>
	Authorised:		
	500,000,000 Ordinary Shares of \$1 each	<u>\$500,000,000</u>	<u>\$500,000,000</u>
	Issued and Allotted:		
	52,000,000 Ordinary Shares of \$1 each (Page 3)	<u>\$52,000,000</u>	<u>\$52,000,000</u>
	Dividends:		

In accordance with the Company's Articles of Association, dividends are prorated on the basis of the amounts paid on application and on calls, having regard to the number of months during the year for which the amounts were paid.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
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(Expressed in Eastern Caribbean Dollars)

9 LOANS AND BANK OVERDRAFTS

	Current Portion	Non-Current		T O T A L	
		>1Yr - 5 Yrs	>5 Yrs	2013	2012
Bank Loans:					
First Caribbean International Bank:					
Loan #106974965	541,780	2,554,106	3,492,033	6,587,919	-
Loan #106774476	363,850	1,715,329	2,161,424	4,240,603	4,688,118
Loan #106838446	324,103	1,527,965	1,835,076	3,687,144	4,148,602
Loan #106965568	273,375	1,288,325	3,954,138	5,515,838	5,768,662
Bank of Nova Scotia:					
Loan #1901902	333,336	1,333,344	2,749,982	4,416,662	4,777,776
RBC Royal Bank of Canada					
Loan #3552296	571,414	1,378,668	-	1,950,082	2,485,209
Loan #3552062	947,624	75,014	-	1,022,638	1,970,262
	3,355,482	9,872,751	14,192,653	27,420,886	23,838,629
Bank Overdrafts	16,608,416	-	-	16,608,416	18,699,010
TOTAL 2013 (Page 4)	<u>\$19,963,898</u>	<u>\$9,872,751</u>	<u>\$14,192,653</u>	<u>\$44,029,302</u>	<u>\$42,537,639</u>
TOTAL 2012 (Page 4)	<u>\$22,260,899</u>	<u>\$13,178,370</u>	<u>\$7,098,370</u>		
	<u>2013</u>	<u>2012</u>			
Non-Current Portion:					
Amounts Payable:					
Within 2-5 Years	9,872,751	13,178,370			
After 5 Years	14,192,653	7,098,370			
TOTAL (Page 4)	<u>\$24,065,404</u>	<u>\$20,276,740</u>			

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

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9 LOANS AND BANK OVERDRAFTS (cont'd)

Repayment Terms:

First Caribbean International Bank

- Loan #106974965

Repayable in monthly instalments of \$79,484 exclusive of interest chargeable at the rate of 6.5%.

- Loan #106774476

Repayable in monthly instalments of \$52,389 inclusive of interest chargeable at the rate of 6.5% per annum.

- Loan #106838446

Repayable in monthly instalments of \$46,174 inclusive of interest chargeable at the rate of 6.5% per annum.

- Loan #106965568

Repayable in monthly instalments of \$51,979 inclusive of interest chargeable at the rate of 6.5% per annum.

RBC Royal Bank of Canada

- Loan #3552296

Repayable in monthly instalments of \$56,774 inclusive of interest chargeable at the rate of 6.5% per annum.

- Loan #3552026

Repayable in monthly instalments of \$78,968 .67 exclusive of interest chargeable at the rate of 6.5% per annum.

Bank of Nova Scotia

- Loan #1901902

Repayable in monthly instalments of \$27,778 exclusive of interest chargeable at the rate of 7.75% per annum

The principal loan instalments due within the twelve months ending 31 January 2014 have been shown under Current Liabilities.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
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(Cont'd)

(Expressed in Eastern Caribbean Dollars)

## 9 LOANS AND BANK OVERDRAFTS (cont'd)

Collateral

a) Advances made by First Caribbean International Bank are secured by the following:

i A mortgage debenture and supplemental debenture over the company's fixed and floating assets, registered and stamped to secure \$27,000,000 including 1.324 acres land situated at Frigate Bay. Excluded from the debenture charge are the following:-

- a) Toyota Vehicles;
- b) the Building Materials Division property at Frigate Bay Road and the adjoining land;
- c) Central Street Property assigned to FINCO;
- d) Fort Street Property assigned to Bank of Nova Scotia;
- e) 9,675 sq ft land on Fort & Central Streets.

ii Assignment over the insurance peril policies covering the company's assets.

iii Equitable charge over mortgage over 100,000 shares in Carib Brewery (St Kitts &amp; Nevis) Limited and 665,328 shares in Ocean Terrace Inn Limited.

iv Guarantees by the following Subsidiaries:

-	TDC Rentals Limited	\$2,500,000
-	TDC Airline Services Limited	\$500,000
-	TDC Nevis Limited	\$1,500,000
-	TDC Real Estate and Construction Limited	\$6,000,000
-	TDC Real Estate and Construction Company (Nevis) Limited	\$20,000,000
-	TDC Airline Services (Nevis) Limited	\$500,000

v Letter of undertaking not to further encumber the assets of the company without the prior consent of the bank.

vi Deposit of title deeds to the Sands Development with caveat thereon.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

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(Cont'd)

(Expressed in Eastern Caribbean Dollars)

9 LOANS AND BANK OVERDRAFTS (cont'd)

Repayment Terms: (cont'd)

Collateral

a) Advances made by First Caribbean International Bank are secured by the following: (cont'd)

- vii Collateral mortgage security stamped to cover EC \$6 million with power to upstamp giving First Caribbean a 1<sup>st</sup> equitable charge over 8.77 acres at Frigate Bay Development in name TDC Real Estate and Construction Limited, supported by Board Resolution.
- viii Collateral mortgage security stamped to cover EC \$7 million with power to unstamp giving First Caribbean a 1<sup>st</sup> equitable charge over 20.1754 acres of land at Clarke Estate, Nevis in name TDC Real Estate and Construction Nevis Limited, supported by Board Resolution.
- ix Collateral Mortgage security stamped to cover EC \$6 million, with power to up-stamp giving First Caribbean a 1<sup>st</sup> equitable charge over 32.8916 acres of land at Clarke Estate, Nevis in the name of TDC Real Estate and Construction Nevis Limited supported by Board Resolution.
- x Collateral mortgage security stamped to cover XCD \$6 million with power to up-stamp.

b) Advances made by the Bank of Nova Scotia are secured by the following:

Debenture providing a first floating charge over vehicle inventory, stamped to EC \$2,700,000.00

Assignment of insurance over vehicle inventory, in the amount of EC \$2,700,000. The insurers are to be acceptable to the Bank and policies, together with all renewals thereof, are to be deposited with the Bank.

Demand All Monies Mortgage (constituted by Deed of Assignment of 14<sup>th</sup> January 1987 and supplement Deed of Assignment of 11<sup>th</sup> April 2011) stamped to EC \$13,069,000.00 providing a first specific charge over approximately 14,229 sq ft land with a 2-storey commercial building thereon, known as the TDC Mall and 10,859 sq ft of land adjacent to the TDC Mall and located at Central and Fort Streets, Basseterre, St Kitts, with a 2-storey commercial building erected thereon known as TDC Downtown Plaza.

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

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(Cont'd)

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9 LOANS AND BANK OVERDRAFTS (cont'd)

Repayment Terms: (cont'd)

Collateral (cont'd)

b) Advances made by the Bank of Nova Scotia are secured by the following: (cont'd)

Demand All Monies Mortgage, stamped to EC \$260,000, creating a first specific charge over approximately 1,665 sq ft land at Central and Fort Streets, Basseterre, St Kitts with the 2-storey commercial building erected thereon, referred to above, to straddle these two (2) parcels of land.

Assignment of fire insurance and other insurance coverage with the Bank noted as the first loss payee on the Borrowers business and assets including but not limited to building, inventory, plant, machinery, and equipment, against all reasonably foreseeable insurable losses and any insurance required by law for an amount and with insurers and policy terms satisfactory to the Bank. All Perils insurance coverage over the property known as the TDC Mall and TDC Downtown Plaza with the Bank noted as first loss payee.

Unlimited Joint and Several Guarantees of TDC Rentals Limited, TDC Rentals (Nevis) Limited, St Kitts Nevis Insurance Company Limited and SNIC (Nevis) Limited and the other subsidiaries who EBITDA contribute a minimum of 10 % of the group's consolidated EBITDA, and including Unlimited Guarantee of TDC (Nevis) Limited supported by the Demand All Monies Legal Revolving Mortgage, stamped to EC\$1,200,000 creating first specific charge over the property in Nevis known as Longstone House.



**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
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(Cont'd)

(Expressed in Eastern Caribbean Dollars)

9 LOANS AND BANK OVERDRAFTS (cont'd)

Collateral (cont'd)

- c) Advances made by Royal Bank of Canada are secured by the following:

Memorandum of Deposit creating an equitable mortgage with a registered caveat on Certificate of Title to 2.429 acres and Certificate of Title to 2.995 acres for combined 5.424 acres registered in the name of St Kitts Nevis Anguilla Trading and Development Company Limited, with commercial buildings (TDC Home Centre and Hardware) thereon straddling both properties, situated at the Pond's Industrial Estate Extension in the Parish of St George.

The Certificate of Title to the 2.429 acres property is Stamped to Secure \$4,000,000.00  
 The Certificate of Title to the 2.995 acres property is Stamped to Secure \$3,000,000.00

Fire Insurance Policy on Home and Building Depot for \$8,000,000 assigned to Royal Bank of Canada

Assignment to Royal Bank, Fire Insurance Policy on buildings, stock and fixtures. Registered First Demand Mortgage Debenture dated 24 August 1982 from OTI to Royal Bank of Canada, creating a fixed and floating charge over the assets (fixed and floating) of OTI STS \$8,075,000.00.

Fire Insurance Policy on Buildings, Stocks and Furniture and Fixtures in the name of Ocean Terrace Inn Limited assigned to Royal Bank of Canada on the above property.

- d) Advances made by SKNA National Bank Limited are secured by the following:

Mortgage over leasehold property situated at C A P Southwell Industrial Site, 35 year lease from 17/01/1978 – MEV \$600,000

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
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(Expressed in Eastern Caribbean Dollars)

10	DEFERRED TAX LIABILITY	<u>2013</u>	<u>2012</u>
	Deferred tax liability (net) – brought forward	3,910,282	4,628,927
	Deferred tax credit – (Note 12)	<u>127,840</u>	<u>(718,645)</u>
	Deferred tax liability (net) – carried forward (Page 4)	<u>\$4,038,122</u>	<u>\$3,910,282</u>
	Deferred tax liability (net) comprises:		
	Deferred tax assets	(2,069,835)	(2,089,543)
	Deferred tax liability	<u>6,107,957</u>	<u>5,999,825</u>
		<u>\$4,038,122</u>	<u>\$3,910,282</u>
	Deferred tax assets comprise:		
	Unutilised tax losses	-	126,595
	Unutilised capital allowances	<u>2,069,835</u>	<u>1,962,948</u>
		<u>\$2,069,835</u>	<u>\$2,089,543</u>
	Deferred tax liability comprises:		
	Accelerated capital allowances	<u>\$6,107,957</u>	<u>\$5,999,825</u>
11	ACCOUNTS PAYABLE		
a)	<u>Trade Accounts Payable</u>	<u>2013</u>	<u>2012</u>
	Trade Payables	4,744,206	4,536,739
	Amounts due to Associated Companies	<u>472,692</u>	<u>304,389</u>
	TOTAL (Page 4)	<u>\$5,216,898</u>	<u>\$4,841,128</u>
b)	<u>Other Accounts Payable</u>	<u>2013</u>	<u>2012</u>
	Sundry Accounts Payable and Accrued Charges (Page 4)	<u>\$23,106,893</u>	<u>\$26,563,903</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
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(Cont'd)

(Expressed in Eastern Caribbean Dollars)

12	TAXATION	<u>2013</u>	<u>2012</u>
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Statement of Financial Position

The tax payable/(recoverable) of \$107,869/(2012 = (\$186,530) in the Statement of Financial Position comprises:

Current Year - Provision less advance payments/(Recoverable) (Pages 3 & 4)	<u>\$107,869</u>	<u>\$(186,530)</u>
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Income Statement

The taxation provision in the Income Statement comprises:

	<u>2013</u>	<u>2012</u>
Corporation Tax	294,399	-
Deferred Tax (Note 10)	<u>127,840</u>	<u>(718,645)</u>
<b>TOTAL CHARGE (Page 5)</b>	<b><u>\$422,239</u></b>	<b><u>\$(718,645)</u></b>

The Company's effective rate of tax differs from the statutory rate of tax of 35% as follows:

Income/(Loss) before Tax	<u>\$1,452,728</u>	<u>\$(571,502)</u>
Tax at statutory rate	508,455	(200,026)
Tax effect on expenses not deductible in determining taxable Income	679,194	352,457
Tax effect on Income not assessable for taxation	(861,295)	(910,300)
Tax effect of depreciation on non-qualifying buildings	96,021	98,257
Tax effect on gain of non-qualifying asset	-	(60,935)
Other	<u>(136)</u>	<u>1,902</u>
<b>TOTAL</b>	<b><u>\$422,239</u></b>	<b><u>\$(718,645)</u></b>

13 **EARNINGS PER ORDINARY SHARE**

Basic earnings per share is computed by relating profit attributable to ordinary shareholders to the number of ordinary shares in issue during the year.

	<u>2013</u>	<u>2012</u>
Net Income for the Year	<u>\$1,030,489</u>	<u>\$147,143</u>
Number of ordinary shares in Issue	52,000,000	52,000,000
Basic earnings per share	<u>\$0.02</u>	<u>\$0.003</u>

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

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14 CONTINGENT LIABILITIES AND COMMITMENTS

- a) At 31 January 2013, the Company guaranteed bank loans and overdrafts on behalf of subsidiary companies.
- b) The Company is committed for calls on the unpaid portion of shares in its wholly-owned subsidiary, in the amount of \$70,000 in respect of TDC Tours Limited (2012 = \$70,000).
- c) At 31 January 2013, commitments in respect of open Letters of Credit established in the normal course of business amounted to \$1,198,800 (2012 = \$1,506,144).
- d) The Company is committed to the investment in Cable Bay Hotel Development project for an additional amount of \$5,480,102 (2012 = \$5,480,102).
- e) Counsel has advised that at 31 January 2013, there were no contingent liabilities.

15 FINANCIAL INSTRUMENTS

- a) Interest Rate Risk  

Interest rates and terms of borrowing are disclosed in Note 9.
- b) Credit Risk  

The Company sells products and provides services to customers primarily in St Kitts-Nevis. The Company 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 value: cash and bank balances, accounts receivable, investments, accounts payable and loans.
- d) Currency Risk  

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

**ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED**

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15 FINANCIAL INSTRUMENTS (cont'd)

e) Liquidity Risk:

In order to manage liquidity risk, management seeks to maintain sufficient levels of cash, cash equivalents 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 Company's financial assets and liabilities:

Financial Liabilities:

	Due within <u>1 Year</u>	>1 Year to <u>5 Years</u>	<u>&gt;5 Years</u>	<u>Total</u>
Year ended 31 January 2013:				
Overdrafts	16,608,416	-	-	16,608,416
Loans	3,355,482	9,872,751	14,192,653	27,420,886
Trade Payables	5,216,898	-	-	5,216,898
Other Payables	23,106,893	-	-	23,106,893
Due to Subsidiaries	<u>10,419,222</u>	<u>6,129,040</u>	<u>-</u>	<u>16,548,262</u>
	<u>\$58,706,911</u>	<u>\$16,001,791</u>	<u>\$14,192,653</u>	<u>\$88,901,355</u>
Year ended 31 January 2012:				
Overdrafts	18,699,010	-	-	18,699,010
Loans	3,561,889	13,178,370	7,098,370	23,838,629
Trade Payables	4,841,128	-	-	4,841,128
Other Payables	26,563,903	-	-	26,563,903
Due to Subsidiaries	<u>14,166,574</u>	<u>7,129,040</u>	<u>-</u>	<u>21,295,614</u>
	<u>\$67,832,504</u>	<u>\$20,307,410</u>	<u>\$7,098,370</u>	<u>\$95,238,284</u>

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(Cont'd)

(Expressed in Eastern Caribbean Dollars)

15 FINANCIAL INSTRUMENTS (cont'd)

e) Liquidity Risk: (cont'd)

Financial Assets:

	Due within <u>1 Year</u>	>1 Year to <u>5 Years</u>	<u>&gt;5 Years</u>	<u>Total</u>
Year ended 31 January 2013:				
Cash in hand and at bank	422,405	-	-	422,405
Trade Receivables	6,598,924	-	-	6,598,924
Other Receivables	1,022,114	-	-	1,022,114
Investments	-	-	83,425,869	83,425,869
Due from Subsidiaries	<u>8,535,793</u>	<u>-</u>	<u>-</u>	<u>8,535,793</u>
	<u>\$16,579,236</u>	<u>\$ -</u>	<u>\$83,425,869</u>	<u>\$100,005,105</u>

Year ended 31 January 2012:

Cash in hand and at bank	2,877,015	-	-	2,877,015
Trade Receivables	4,988,248	-	-	4,988,248
Other Receivables	1,404,860	-	-	1,404,860
Loan due from Subsidiary	600,000	200,000	-	800,000
Investments	-	-	83,869,911	83,869,911
Due from Subsidiaries	<u>10,550,109</u>	<u>-</u>	<u>-</u>	<u>10,550,109</u>
	<u>\$20,420,232</u>	<u>\$200,000</u>	<u>\$83,869,911</u>	<u>\$104,490,143</u>

16 SUBSEQUENT EVENT

Subsequent to the end, the Company entered into a credit arrangement to borrow the sum of US \$5,000,000 to liquidate current loan balances which are secured by the properties of Ocean Terrace Inn Limited which stood at EC \$2,972,719 at year's end. The balance will be used on the capital improvement programme at Ocean Terrace Inn Limited.