S.L. HORSFORD & CO. LTD.

Annual Report 2010

"Partnership with our People"

S.L. HORSFORD & CO. LTD.

"Partnership with our People"

Our Vision

"To be the Company of Choice"

Mission Statement

"Exceptional Service
Exceptional Value
for
Exceptional People"

S.L. HORSFORD & CO. LTD.

Annual Report 2010

"Partnership with our People"

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CORPORATE INFORMATION

Directors:

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

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

Registered Office:
Marshall House
Independence Square West
Basseterre
St. Kitts, West Indies

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

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

Solicitors:
Kelsick, Wilkin and Ferdinand
The Sands Complex, Basseterre,
St. Kitts, West Indies

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the twentieth Annual General Meeting of the Company, as a Public Company, will be held at Frigate Bay Resort, Frigate Bay, on Thursday 21 April 2011 at 5 o'clock in the afternoon for the following purposes:

1. To receive and consider the Financial Statements for the year ended 30 September 2010.
2. To receive and consider the Report of Directors thereon.
3. To receive and consider the Report of Auditors thereon.
4. To declare a Dividend.
5. To appoint Directors in place of those retiring.
6. To appoint Auditors and fix their remuneration.

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

Marshall House
1 Independence Square West
Basseterre
St. Kitts

BY ORDER OF THE BOARD

Judith P. Ng'alla
Company Secretary
Dated 15 February 2011

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

COMPANY PROFILE

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

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

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

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

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

CHAIRMAN'S REPORT

The results for 2010 were very satisfactory. While the string of record profits reported in the last 5 years has been broken the results for 2010 were very close to those of 2009.

Group sales decreased by $20,826,284 or 14.08% to $127,095,175; however, much of this decline was due to the closure of the Texaco Gasoline Station at Wellington Road. Excluding the gas station sales the decline in sales was $12,527,358 or 9.38%.

Gross profit decreased at a lesser rate of 2.68% as a result of improved profit margins. Other Income increased by $555,864 or 5.76%. Total income for 2010 was $42,981,578, a decrease of $347,812 of 0.80%.

Expenses for 2010 decreased by $254,884 or 0.81%.

Group profit before taxation decreased by $136,810 or 0.94% to $14,438,591 and after tax profits decreased by $151,401 or 1.58% to $9,423,513. Of this the parent company and wholly owned subsidiaries contributed $7, 336,071, a decline of $79,051 and associated companies contributed $2,087,442, a decline of $72,350.

During 2010 the economy continued to suffer further significant declines in the construction, tourism and retail sectors as had been suffered in 2009. This was similar to the experiences of others in the region and was as a direct result of the financial crises in the external and regional economies and the resulting recessions.

The decline in sales referred to above was suffered by almost all departments but were most significant in the building materials operations on both St Kitts and Nevis as a result of the decline in the construction sectors being experienced and the continued closure of The Four Seasons Resort during the period under review. The declines in the other departments were much less severe.

The reasons for being able to maintain the profit performance of the parent company and wholly owned subsidiaries in an environment of declining sales were once again due to improved inventory management and practices, focused credit and receivables management and continuing debt reduction. In addition there was the containment of expenses which declined slightly from 2009.

With regards to our associated companies, Carib Brewery (St Kitts Nevis) Ltd and St Kitts Masonry Products Ltd had satisfactory results similar to those of 2009.

Operating expenses declined slightly during the year with signifcant savings in finance costs.

Income tax expense had an effective rate of 34.73% versus 34.31% in 2009.

Earnings per share for 2010 was $0.31 versus $0.32 in 2009.

In July 2009 the group's lands and buildings were revalued and the revalued amounts were incorporated in the financial records on October 1, 2009.This is in keeping with the group's accounting

CHAIRMAN'S REPORT (continued)

policies. The surplus on revaluation net of disposals and related costs was $27,178,988.While most of this surplus arose from the 2009 revaluation exercise part of this increase is due to a previously unrecognized revaluation on the group's lands. This revaluation amount has been presented in a newly required financial statement entitled "Consolidated Statement of Comprehensive Income" along with the related deferred tax.

In June 2010 the group suffered the unfortunate fire loss on a property located on Independence Square South. This property had been adequately insured and full settlement of the claim has been received.

The continued good performance in 2010 will enable your Directors to recommend a final dividend of $0.06 per share which, along with the interim dividend of $0.05, will result in a total annual dividend of $0.11 per share for a total of $3,316,327 allowing retention of $6,107,186.

Additionally this performance has created improvements in the group's overall solvency with the debt to equity ratio reaching a low of 0.282:1 and debt to total assets of 0.199:1.

The outlook for 2011 is for an even more challenging environment than that experienced in the past two years. The international and regional economies continue to experience slow and uneven recoveries. For St Kitts–Nevis the construction sector is expected to decline further and the tourism sector while arresting its decline is not expected to grow significantly. The increases in taxes and electricity rates will negatively impact the consumer's ability to spend, and the Federal and Nevis Island Administrations' fiscal situations will prevent them from adding any stimulation to the economies.

Construction of the shopping facilities to house a Valu Mart IGA supermarket in Nevis continued during 2011 and is expected to commence operations in the last quarter of fiscal 2011.The reconstructed gasoline station at our facilities at Wellington Road is expected to reopen shortly, operating under the Sol brand.

Mr. Chris Martin, who joined the company in 1991, was appointed as the first General Manager of our Nevis Center in 1993 and as a company director in 2001 resigned from all his positions with the group in March of 2011 to pursue his own entrepreneurial endeavours. Mr. Martin's contribution to the group was quite significant and he will be missed. I wish to thank him for this contribution and his counsel; and to wish him every success in his future pursuits.

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

I also wish to thank our staff for their support and dedication to their work. I thank my fellow directors for their support and valued counsel.

W Anthony Kelsick
B.A., B.Comm., C.A.

REPORT OF THE DIRECTORS

The Directors submit their Report and Audited Accounts for the year ended 30 September 2010

	2010	2009
Profit for the year (after providing for Taxation)	$9,423,513	$9,574,914
The Board recommends a dividend of 11 % (2009 = 10%)	$3,316,327	$3,014,843

In accordance with Articles 102 and 103 of the Articles of Association, Mr. Anthony Gonsalves and Mr. Victor Williams retire from the Board on rotation and being eligible offer themselves for re-appointment.

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

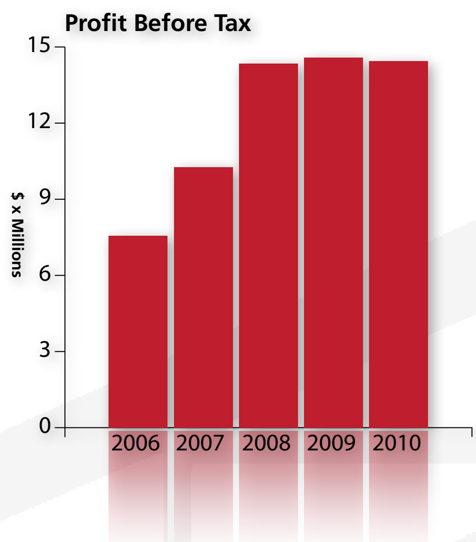
BY ORDER OF THE BOARD

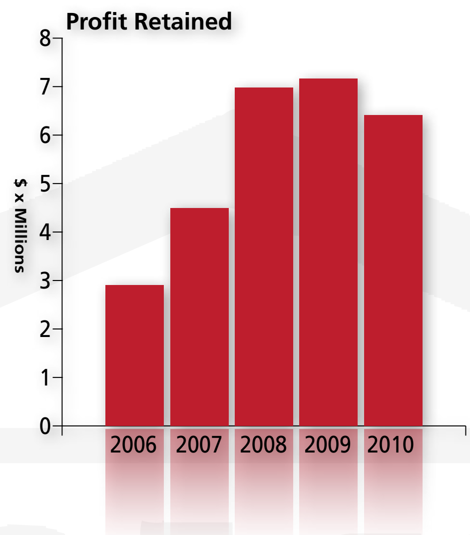
Judith P Ng'alla

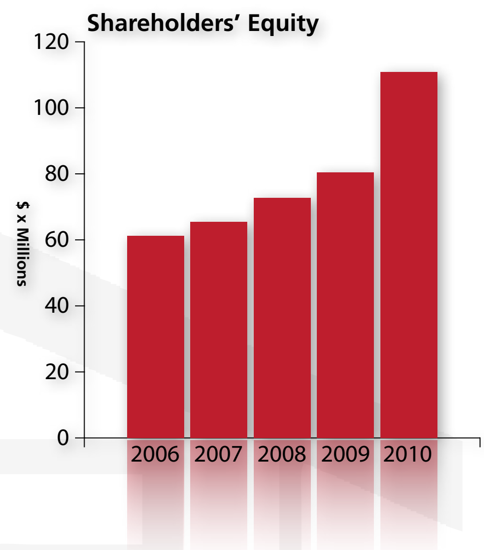
Company Secretary

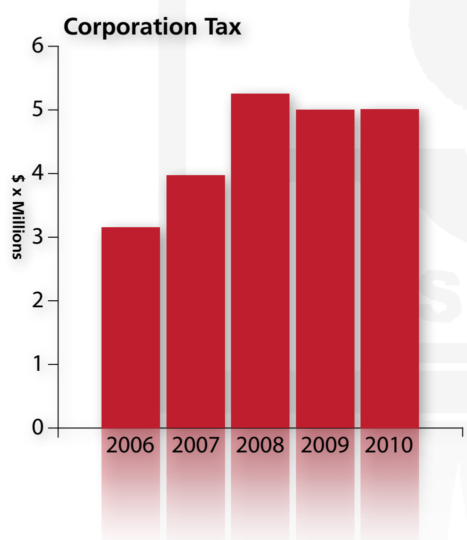
15 February 2011

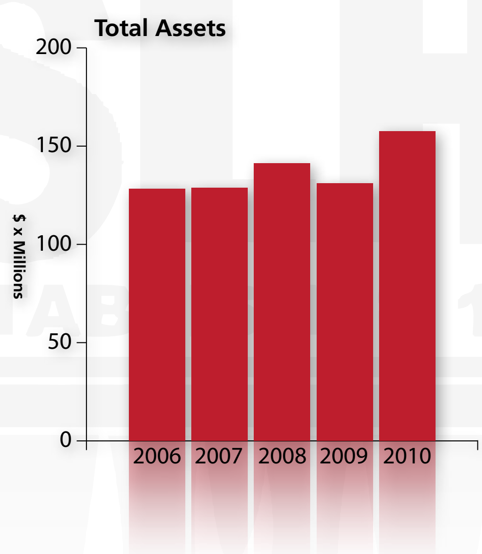
FINANCIAL HIGHLIGHTS

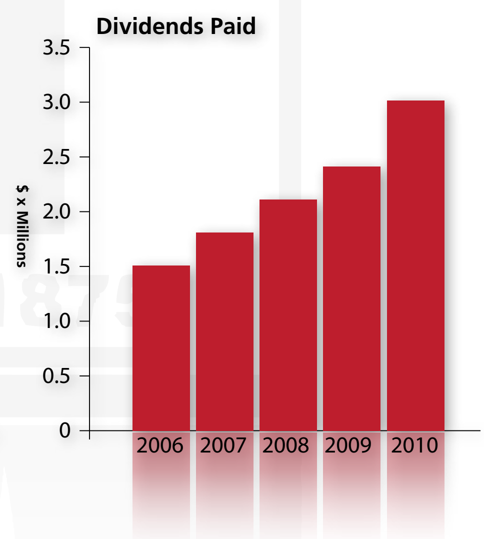












PARTNERSHIP WITH OUR PEOPLE

Since its inception in 1875, your company, S L Horsford & Co. Ltd., has been actively involved with our country's development. In addition to our enhancement of the lives of citizens through the provision of a wide range of affordable goods and services, we are also stoutly proud of the contribution we continue to make through our steadfast involvement in various educational, sporting, cultural, social and community activities in our twin-island federation. As we enter the second decade of the twenty-first century we consider it appropriate to highlight the significant support we extend beyond our trading operations.

Throughout our one hundred and thirty six (136) years of service we have willingly returned financial and other support to the people without whom such longevity would not have been possible. This partnership with our people, which we have created and nurtured over the years, has been manifested in many ways including, but not limited to:

- Provision of scholarships to students of the CFBC College, including many participants of Project Viola, a programme which ensures the continued education of teen mothers. This support covers expenses for uniforms, books, registration and examination fees and provides a monthly transportation and meals allowance. Moreover, our acknowledgment of the pivotal role of education has resulted in our being the major sponsor of the Teachers' Union Annual Awards Banquet/Ceremony for many consecutive years
- Sponsorship of the St. Paul's United Strikers Football Club, the Highlights FC in Nevis, Ghetto Roots Senior, Junior & Female Basketball Teams, the Basseterre High School Netball Team, the Pacesetters Athletic Club and the Annual Junior Tennis Competition organized by the Department of Sports. Additionally, we have consistently partnered with the St. Kitts-Nevis Football Association and Cricket event organizers on various marketing initiatives
- Involvement in National Carnival through our multi-year sponsorship of the Legends Calypso Tent, Bankers Mas Camp and Sylvester's Masquerade troupe. We have also offered assistance to individual calypsonians and have made significant financial input to the Haynes Smith Miss Caribbean Talented Teen Pageant held during our Carnival celebrations. Culturama, too, has benefited from our Nevis Center's community-spiritedness
- Support for various social and community efforts through our partnership with both Rotary Clubs, The Royal St. Christopher & Nevis Police Force, The St. Kitts & Nevis Red Cross Society, The Hotel & Tourism Association, the National Emergency Management Agency and the Parks & Beaches Unit of the Department of Health & Environment, among others
- Contribution of goods and services toward fund-raising efforts of the Special Education Unit, village festivities committees, neighbourhood self-help groups and many other small, community-conscious organizations

The large sums we have invested over the years have borne fruit. We have seen a number of our scholarship recipients blossom into productive citizens who currently serve our federation in various business and professional capacities. Members of our sporting teams have consistently expressed their gratitude for the opportunity to utilize their off-time in a healthy, productive manner and all of them have, at various times, rewarded us by capturing championships within their respective leagues. Moreover, several of our basketball and football players have earned college scholarships to pursue further education abroad and have been able to capitalize on the opportunity to broaden their horizons and improve their quality of life.

Your company, S L Horsford & Co. Ltd., is extremely proud of the contribution we have made to the overall development of our people. We know the communities we serve are truly appreciative of our involvement and we will, with the continued support of all stakeholders, continue to build on the existing robust ***PARTNERSHIP WITH OUR PEOPLE.***

AUDITORS' REPORT

PKF

TO THE SHAREHOLDERS

S L HORSFORD AND COMPANY LIMITED

We have audited the accompanying consolidated financial statements of S L Horsford and Company Limited and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position as at 30 September 2010, 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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.

AUDITORS' REPORT

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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 30 September 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF

PKF
Chartered Accountants
BASSETERRE ST KITTS
16 December 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

	Notes	2010	2009
CURRENT ASSETS			
Cash at Bank and in Hand		**1,650,929**	544,575
Accounts Receivable – Current	3	**11,539,928**	11,613,739
Inventories	4	**31,240,801**	35,957,415
		44,431,658	48,115,729
CURRENT LIABILITIES			
Loans and Bank Overdrafts	5	**15,626,157**	16,931,872
Accounts Payable and Accruals	6	**8,453,945**	10,105,379
Provision for Taxation	7	**1,649,916**	2,813,503
		25,730,018	29,850,754
WORKING CAPITAL		**18,701,640**	18,264,975
INTANGIBLES	8	**8,155**	18,280
ACCOUNTS RECEIVABLE – Non-Current	3	**14,199,515**	15,954,400
INVESTMENT IN ASSOCIATED COMPANIES	9	**12,954,420**	11,905,710
AVAILABLE-FOR-SALE INVESTMENTS	10	**768,009**	825,460
PROPERTY, PLANT AND EQUIPMENT	5 & 11	**85,153,625**	54,201,704
TOTAL		**$131,785,364**	$101,170,529
FINANCED BY			
SHARE CAPITAL	12	**30,148,430**	30,148,430
RESERVES		**80,704,723**	50,296,423
SHAREHOLDERS' FUNDS		**110,853,153**	80,444,853
DEFERRED TAX LIABILITY	13	**5,250,862**	2,113,901
LOANS NON CURRENT	5	**15,681,349**	18,611,775
FUNDS EMPLOYED		**$131,785,364**	$101,170,529

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

Approved by the Board of Directors on 15 February 2011.

W Anthony Kelsick
Chairman

Donald Kelsick
Director

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

		2010	2009
TURNOVER (Note 2 (l))		**127,095,175**	147,921,459
Cost of Sales		**(94,325,243)**	(114,247,851)
Gross Profit		**32,769,932**	33,673,608
Other Income		**10,211,646**	9,655,782
TOTAL INCOME		**42,981,578**	43,329,390
LESS:EXPENSES			
Administrative Expenses		**(20,231,835)**	(20,145,490)
Distribution Costs	- Transport	**(2,067,867)**	(2,070,647)
	-Advertising	**(2,043,030)**	(2,343,196)
Other Expenses		**(1,851,548)**	(1,263,401)
Depreciation and Amortisation		**(2,941,138)**	(2,865,253)
Finance Costs		**(2,137,690)**	(2,840,005)
		(31,273,108)	(31,527,992)
Income Before Results of Associated Companies		**11,708,470**	11,801,398
Share of Results of Associated Companies (Notes 2(c) & 9)		**2,730,121**	2,774,003
INCOME BEFORE TAXATION		**14,438,591**	14,575,401
Income Tax Expense (Note 7)		**(5,015,078)**	(5,000,487)
INCOME FOR THE YEAR CARRIED TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		**$9,423,513**	$9,574,914
BASIC EARNINGS PER SHARE (See Note 14)		**$0.31**	$0.32

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

		2010	2009
Net Income for the Year		**9,423,513**	9,574,914
Other Comprehensive Income:			
Revaluation Reserve (Net of Disposals and related costs) (Note 11)	27,178,988		
Less:Related Deferred Tax (Note 13)	(3,061,718)		
		24,117,270	-
Decrease in Revaluation Reserve – Associated Company		**(60,189)**	(112,893)
Unrealised Holding Gain – Decrease in Fair Value (Note 10)		**(57,451)**	(42,151)
TOTAL COMPREHENSIVE INCOME CARRIED TO STATEMENT OF CHANGES IN EQUITY		**$33,423,143**	$9,419,870

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

	Share Capital	Revaluation Reserve	Other Capital Reserves	Unrealised Holding Gain-Investments	Retained Earnings	Total
Balance at 30 September 2008						
- As previously reported	30,148,430	14,428,742	555,307	667,130	26,911,502	72,711,111
- Prior Year Adjustment - Associated Company (See Note 20)	-	-	-	-	725,746	725,746
	30,148,430	14,428,742	555,307	667,130	27,637,248	73,436,857
Comprehensive Income (Restated)	-	(112,893)	-	(42,151)	9,574,914	9,419,870
Dividend Paid - $0.08 per share	-	-	-	-	(2,411,874)	(2,411,874)
Balance at 30 September 2009 (Restated)	$30,148,430	$14,315,849	$555,307	$624,979	$34,800,288	$80,444,853
Balance at 30 September 2009						
- As previously reported	30,148,430	14,315,849	555,307	624,979	33,752,246	79,396,811
- Prior Year Adjustment						
- Associated Company (See Note 20)	-	-	-	-	1,048,042	1,048,042
- As restated	30,148,430	14,315,849	555,307	624,979	34,800,288	80,444,853
Comprehensive Income	-	24,057,081	-	(57,451)	9,423,513	33,423,143
Dividend Paid - $0.10 per share	-	-	-	-	(3,014,843)	(3,014,843)
Balance at 30 September 2010	$30,148,430	$38,372,930	$555,307	$567,528	$41,208,958	$110,853,153

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

	2010	**2009**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before Taxation	**14,438,591**	14,575,401
Adjustments for:		
Depreciation and Amortisation	**2,941,138**	2,865,253
Gain on Disposal of Property, Plant and Equipment	**(246,375)**	(173,249)
Finance costs incurred	**2,137,690**	2,840,005
Share of Income from Associated Companies	**(2,730,121)**	(2,774,003)
Operating profit before working capital changes	**16,540,923**	17,333,407
Net change in non-cash working capital balances related to Operations	**3,138,992**	8,571,361
Cash generated from operating activities	**19,679,915**	25,904,768
Finance costs Paid	**(2,137,690)**	(2,840,005)
Taxation Paid	**(5,460,743)**	(3,701,075)
Net Cash from Operating Activities	**12,081,482**	19,363,688
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	**(7,814,758)**	(3,187,397)
Proceeds from Disposal of Property, Plant and Equipment	**1,422,840**	705,306
Purchase of Intangibles	**(10,044)**	(12,235)
Revaluation Costs	**(55,607)**	-
Dividends received from Associated Companies	**978,543**	613,528
Net Cash used in Investing Activities	**(5,479,026)**	(1,880,798)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-Current Receivables	**1,754,885**	304,047
Long term Loans Repaid	**(2,757,874)**	(6,401,292)
Dividends Paid to Shareholders	**(3,014,843)**	(2,411,874)
Net Cash used in Financing Activities	**(4,017,832)**	(8,509,119)
Net Increase in Cash and Cash Equivalents	**2,584,624**	8,973,771
Cash and Cash equivalents - beginning of year	**(1,209,322)**	(10,183,093)
Cash and Cash equivalents – end of year	**$1,375,302**	$(1,209,322)
Cash and cash equivalents comprise:		
Cash	**1,650,929**	544,575
Bank Overdrafts	**(275,627)**	(1,753,897)
	$1,375,302	$(1,209,322)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars)

1 CORPORATE INFORMATION

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

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

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

2 ACCOUNTING POLICIES

(a) Basis of Accounting:

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

The accounting policies which are followed are set out below.

The accounting policies adopted are consistent with those of the previous financial year including the adoption of the new and amended IAS, IFRS AND IFRIC (International Financial Reporting Interpretations Committee):

Standards and interpretations adopted in the current period

IAS 1	Presentation of Financial Statements effective January 1 2009
IAS 7	Statement of Cash Flows effective January 1 2009
IAS 16	Property Plant and Equipment effective January 1 2009
IAS 18	Revenue effective January 1 2009
IAS 23	Borrowing Cost (Revised) effective January 1 2009
IAS 27	Consolidated and Separate Financial Statements effective January 1 2009
IAS 28	Investment in Associates effective January 1 2009
IAS 32	Financial Instrument presentation effective January 1 2009
IAS 36	Impairment of Assets effective January 1 2009
IAS 38	Intangible Assets effective January 1 2009
IAS 39	Financial Instruments Recognition and Measurement effective January 1 2009
IFRS 1	First Time Adoption effective January 1 2009
IFRS 3	Business Combinations effective January 1 2009
IFRS 5	Non current Assets held for sale and Discontinued Operations.
IFRS 7	Financial Instruments: Disclosure effective January 1 2009
IFRIC 13	Customer Loyalty Programme effective January 1 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

2 ACCOUNTING POLICIES (cont'd)

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

Standards and interpretation in issue and effective but not applicable

IAS 19	Employee Benefits effective January 1 2009.
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance effective January 1 2009.
IAS 31	Interest in Joint Ventures
IAS 40	Investment Properties effective January 1 2009
IAS 41	Agriculture effective January 1 2009
IFRS 2	Share-Based Payment effective January 1 2009
IFRS 8	Operating Segments effective January 1 2009
IFRIC 15	Agreements to Construction of Real Estate effective January 1 2009
IFRIC 17	Distribution of non-cash assets to owners effective July 1 2009
IFRIC 18	Transfer of Assets from Customers effective July 1 2009

Standards and interpretation in issue but not yet effective

IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments effective July 1 2010
IAS 17	Leases effective January 1 2010

(b) Use of Estimates:

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

(c) Basis of Consolidation:

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

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

(d) Foreign Currencies:

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

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

(e) Revenue Recognition:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

2 ACCOUNTING POLICIES (cont'd)

(e) Revenue Recognition: (cont'd)

Sales to third parties:

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

Rendering of services:

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

Interest income:

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

Dividend:

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

(f) Accounts Receivable:

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

(g) Inventories and Goods in Transit:

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

(h) Hire Purchase Sales:

Furniture:

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

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

(i) Property, Plant and Equipment:

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

Depreciation rates are as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

2 ACCOUNTING POLICIES (cont'd)

(j) Investments:

Available-for-sale:

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

Investments are initially recognised at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. For securities where there is no quoted market price, fair value has been estimated by management at cost less amounts written off. While it is not practical to determine the current market value of these investments, it is not considered necessary to make further provisions for permanent impairment in the value of investments as at 30 September 2010.

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

(k) Taxation:

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

(l) Turnover:

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

(m) Borrowing costs:

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

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

(n) Accounts Payable and Accruals:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

2 ACCOUNTING POLICIES (cont'd)

(o) Provisions:

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

(p) Intangibles:

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

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

3 ACCOUNTS RECEIVABLE

	2010	2009
Trade Receivables (Net of provision for doubtful debts)	24,566,968	26,822,989
Sundry Receivables and Prepayments	1,172,475	745,150
	25,739,443	27,568,139
Less: **Non-current portion of Receivables**	(14,199,515)	(15,954,400)
TOTAL - **Current**	$11,539,928	$11,613,739

All non-current receivables are due within six (6) years from the end of the reporting period.

4 INVENTORIES

	2010	2009
Merchandise	25,370,293	30,731,832
Stock on Hire	3,877,116	3,854,359
Goods In Transit	1,993,392	1,371,224
TOTAL	$31,240,801	$35,957,415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

5 LOANS AND BANK OVERDRAFTS

	2010	2009
Current:		
Overdrafts	275,627	1,753,897
Loans – Current Portion	15,350,530	15,177,975
TOTAL CURRENT LOANS AND BANK OVERDRAFTS	$15,626,157	$16,931,872
LOANS – NON-CURRENT	$15,681,349	$18,611,775
Summary of Loans:		
Amount Payable:		
Within 1 year	15,350,530	15,177,975
2 – 5 Years	10,926,592	10,813,611
Over 5 Years	4,754,757	7,798,164
TOTAL LOANS	$31,031,879	$33,789,750
Analysed as follows:		
Secured	18,645,670	21,267,751
Unsecured	12,386,209	12,521,999
TOTAL	$31,031,879	$33,789,750

Repayment Terms:

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

Collateral for Advances:

The Bank Loans and Overdrafts are secured by debentures executed by the Parent Company and two subsidiaries totalling $62,345,000 (2009 = $62,345,000).

The principal instalments due within the twelve months ending 30 September 2011 have been shown under Current Liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

6 ACCOUNTS PAYABLE AND ACCRUALS

	2010	2009
Trade Payables	5,201,484	6,550,546
Sundry Payables and Accruals	3,252,461	3,554,833
TOTAL	$8,453,945	$10,105,379

7 PROVISION FOR TAXATION

	2010	2009
Statement of Financial Position		
The taxation provision in the Statement of Financial Position comprises the following:		
Current Year	$1,649,916	$2,813,503
Statement of Income		
The Taxation charge in the Statement of Income comprises the following:		
Provision for charge on Current Profits	4,297,156	4,234,463
Overprovision	-	(75,420)
Deferred Tax (Note 13)	75,243	227,233
	4,372,399	4,386,276
Associated Companies (Note 9)	642,679	614,211
TOTAL	$5,015,078	$5,000,487

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

7 PROVISION FOR TAXATION (cont'd)

The group's effective tax rate of 34.7% (2009 = 34.3%) differs from the Statutory rate of 35% as follows:

	2010	2009
Profit before taxation	$14,438,591	$14,575,401
Taxes at statutory rate of 35%	5,053,507	5,101,390
Tax effect of expenses not deductible in determining taxable profits	278,916	203,612
Tax effect of income not assessable for taxation	(306,424)	(342,506)
Tax Overprovision – previous years	-	(75,420)
Tax effect of Depreciation on non qualifying assets	107,154	123,484
Other	(118,075)	(10,073)
TOTAL	$5,015,078	$5,000,487

All income tax assessments up to and including the year of assessment 2010/09 have been examined and agreed by the Comptroller of Inland Revenue and the taxes duly paid.

8 INTANGIBLES

	2010	2009
Software – reclassification from plant and equipment (See Note 2(p))	38,427	26,191
Additions	10,044	12,236
	48,471	38,427
Accumulated Amortisation – reclassification	20,147	8,585
Amortisation	20,169	11,562
	40,316	20,147
NET BOOK VALUE	$8,155	$18,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

9 INVESTMENT IN ASSOCIATED COMPANIES

	2010	2009 (Restated)
Original cost of investments	3,048,436	3,048,436
Increase in equity over cost from acquisition to the end of previous year	8,857,274	6,698,157
	11,905,710	9,746,593
Capital reserve reduction	(60,189)	(112,893)
Prior Year Adjustment	-	725,746
Share of net income less dividends received from Associated Companies (see below)	1,108,899	1,546,264
Balance at End of Year	$12,954,420	$11,905,710

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

	2010	2009 (Restated)
Share of income before taxation	2,730,121	2,774,003
Taxation (Note 7)	(642,679)	(614,211)
	2,087,442	2,159,792
Dividends received	(978,543)	(613,528)
TOTAL (As Above)	$1,108,899	$1,546,264

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

	2010	2009 (Restated)
Assets	17,911,378	16,647,102
Liabilities	4,952,072	4,447,842
Revenue	16,739,450	10,857,668
Profit before Tax	2,730,121	2,774,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

10 AVAILABLE-FOR-SALE INVESTMENTS

	2010	2009
Quoted Securities	668,009	725,460
Unquoted Securities	100,000	100,000
TOTAL	$768,009	$825,460

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings - at cost/ Valuation	Plant at cost	Vehicles and Other Assets - at cost	Capital Work-in-Progress - at cost	Total
Year Ended 30 September 2010					
Cost/Valuation -					
Beginning of Year	49,277,633	712,782	19,601,855	835,546	70,427,816
Additions	354,221	22,123	1,548,869	5,889,545	7,814,758
Revaluation	23,840,134	-	-	-	23,840,134
(Disposals)	(1,140,745)	(9,213)	(1,898,203)	-	(3,048,161)
Cost/Valuation -					
End of Year	72,331,243	725,692	19,252,521	6,725,091	99,034,547
Accumulated Depreciation -					
Brought Forward	4,039,743	430,747	11,755,622	-	16,226,112
Charge	724,151	108,624	2,088,193	-	2,920,968
Revaluation	(4,003,883)	-	-	-	(4,003,883)
(Disposals)	(24,968)	(9,213)	(1,228,094)	-	(1,262,275)
Accumulated Depreciation					
Carried Forward	735,043	530,158	12,615,721	-	13,880,922
Written Down Value - 2010	$71,596,200	$195,534	$6,636,800	$6,725,091	$85,153,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Land & Buildings - at cost/ Valuation	Plant at cost	Vehicles and Other Assets - at cost	Capital Work-in-Progress - at cost	Total
Year Ended 30 September 2009					
Cost/Valuation -					
Beginning of Year	49,277,633	605,387	22,611,032	298,583	72,792,635
Additions	-	112,460	2,537,974	536,963	3,187,397
(Disposals)	-	(5,065)	(5,547,151)	-	(5,552,216)
Cost/Valuation - End of Year	49,277,633	712,782	19,601,855	835,546	70,427,816
Accumulated Depreciation -					
Brought Forward	3,445,085	335,590	14,594,298	-	18,374,973
Charge	594,658	100,222	2,158,811	-	2,853,691
(Disposals)	-	(5,065)	(4,997,487)	-	(5,002,552)
Accumulated Depreciation Carried Forward	4,039,743	430,747	11,755,622	-	16,226,112
Written Down Value - 2009	$45,237,890	$282,035	$7,846,233	$835,546	$54,201,704

Leasehold Lands at Pond's Industrial Site

The lands upon which warehouses of the Parent Company and the Coldrooms and Dry Goods Warehouse of a Subsidiary are built have been leased to these Companies by Government. There are three lease agreements for a period of thirty five years each effective from the following dates:

Parent Company:

1 First Lease - 35 years from 15 January 1981

2 Second Lease - 35 years from 1 June 1986

Subsidiary Company:

1 First Lease - 35 years from 1 April 1973 (land purchased during year under review)

2 Second Lease - 35 years from 1 February 1985

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The first lease (subsidiary company) effective from 1 April 1973 expired and the Company was in negotiation with the Government of St Kitts-Nevis for the purchase of this piece of land. During the year under review, the Company purchased this piece of land.

Revaluation:

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

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

Additions subsequent to revaluation are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

12 SHARE CAPITAL

	2010	2009
Authorised		
50,000,000 Ordinary Shares of $1 each		
Issued and Fully Paid		
30,148,430 Ordinary Shares of $1 each	$30,148,430	$30,148,430

Dividend of 11% (2009 = 10%) per ordinary share (amounting to $3,316,327 / 2009 = $3,014,843) in respect of 2010 has been proposed by the Directors. The Financial Statements for the year ended 30 September 2010 do not reflect this proposed dividend which, if ratified, will be accounted for in equity as an appropriation of retained earnings in the year ending 30 September 2011.

13 DEFERRED TAX LIABILITY

	2010	2009
Deferred Tax Liability (Net) – at beginning of year	2,113,901	1,886,668
Deferred Tax (Note 7)	75,243	227,233
Deferred Tax – Revaluation	3,061,718	-
Deferred Tax Liability (Net) – at end of year	$5,250,862	$2,113,901
Deferred Tax Liability (Net) comprises the following:		
Deferred Tax Asset	-	(109,788)
Deferred Tax Liability	5,250,862	2,223,689
	$5,250,862	$2,113,901
Deferred Tax Asset comprises:		
- Unutilised Capital Allowances	-	(54,265)
- Accelerated Depreciation	-	(55,523)
	$ -	$(109,788)
Deferred Tax Liability comprises:		
- Accelerated Capital Allowances	$5,250,862	$2,223,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

14 EARNINGS PER SHARE

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

	2010	2009 (Restated)
Net Income for the Year	$9,423,513	$9,574,914
Number of shares in issue during the year	30,148,430	30,148,430
Basic earnings per share	$0.31	$0.32

15 CONTINGENT LIABILITIES

Parent Company:

a) Unfunded Pension:

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

b) Guarantees:

The Company has given guarantees to First Caribbean International Bank, St Kitts, Bank of Nova Scotia and Royal Bank of Canada as collateral for overdraft facilities of up to $3,515,000 (2009 = $3,015,000) for its Subsidiary Companies, Ocean Cold Storage (St Kitts) Limited, S L Horsford Finance Company Limited and S L Horsford Shipping Limited.

c) Letters of Credit:

At the year end, the company had outstanding letters of credit totalling $268,820 (2009 = $268,820).

d) Legal Claims:

Parent Company:

Counsel has advised that at 30 September 2010 there were no claims pending against the company (2009 = Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

16 RELATED PARTY TRANSACTIONS

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

	2010 $	2009 $
i) Sales of goods and services	3,598,146	5,259,014
ii) Purchases of goods and services	6,256,017	6,782,292
iii) Management fees	28,800	28,800
iv) Dividends received	978,543	613,528

2. Compensation of key management personnel of the Company and its subsidiaries:

	2010	2009
Short-term employee benefits and retirement contributions	$1,041,998	$899,026

17 DETAILS OF SUBSIDIARY AND ASSOCIATED COMPANIES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

18 FINANCIAL INSTRUMENTS

a) Interest Rate Risk:

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

b) Credit Risk:

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

c) Fair Values:

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

d) Currency Risk:

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

e) Liquidity Risk:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

18 FINANCIAL INSTRUMENTS (cont'd)

e) Liquidity Risk: (cont'd)

The following table summarises the maturity profile of the Group's financial liabilities and assets at 30 September 2010:

Financial Liabilities:

	Due within 1 Year	>1 year to 6 years	Over 6 years	Total
Year ended 30 September 2010				
Overdrafts	275,627	-	-	275,627
Loans	15,350,530	10,926,592	4,754,757	31,031,879
Accounts payable and accruals	8,453,945	-	-	8,453,945
	$24,080,102	$10,926,592	$4,754,757	$39,761,451
Year ended 30 September 2009				
Overdrafts	1,753,897	-	-	1,753,897
Loans	15,177,975	10,813,611	7,798,164	33,789,750
Accounts payable and accruals	10,105,379	-	-	10,105,379
	$27,037,251	$10,813,611	$7,798,164	$45,649,026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Expressed in Eastern Caribbean Dollars) (continued)

18 FINANCIAL INSTRUMENTS (cont'd)

e) Liquidity Risk: (cont'd)

Financial Assets:

	Due within 1 Year	>1 year to 6 years	Over 6 years	Total
Year ended 30 September 2010:				
Cash with bankers and in hand	1,650,929	-	-	1,650,929
Accounts Receivables	11,539,928	14,199,515	-	25,739,443
Investments	-	-	13,722,429	13,722,429
	$13,190,857	$14,199,515	$13,722,429	$41,112,801
Year ended 30 September 2009:				
Cash with bankers and in hand	544,575	-	-	544,575
Accounts Receivables	11,613,739	15,954,400	-	27,568,139
Investments	-	-	12,731,170	12,731,170
	$12,158,314	$15,954,400	$12,731,170	$40,843,884

19 CAPITAL COMMITMENTS

At year end, the Parent Company was committed to the completion of the construction of a supermarket and shopping complex at Baths, Nevis at an estimated cost of $4 million and purchase of equipment in the approximate amount of $3.5 million (2009 = $11 million).

The Company is also committed to the conclusion of the purchase of land in the approximate amount of EC $363,000 (2009 = Nil).

20 PRIOR YEAR ADJUSTMENT – Associated Company

The prior year adjustment represents overprovisions for taxation written back as a result of tax concessions granted to an associated company.

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