SLH
EST. 1875
145
Years

S.L. HORSFORD & CO. LTD
AND ITS SUBSIDIARY COMPANIES

ANNUAL REPORT 2019

OUR VISION

"To be the company of choice."

OUR MISSION

"Exceptional service,
Exceptional value
for
Exceptional people."

CONTENTS

CORPORATE INFORMATION

Directors:

Mr. W. Anthony Kelsick B.A., B. Comm., C.P.A., C.A.	Chairman and Managing Director
Ms. Natalie Kelsick B.A., O.C.G.C.	Executive Director
Mr. Mark A. Wilkin B.A., M.B.A.	Managing Director, Carib Brewery (St. Kitts & Nevis) Ltd
Mr. Victor O. Williams BSc, SCL	Architect & Planner
Mr. Anthony E. Gonsalves QC., LLB, LLM	Barrister-at-Law & Solicitor
Mr. Faron T. Lawrence BSc., M.B.A.	Real Estate Developer
Mr. Terrence A. Crossman B.A, M.B.A., MSc.	C.E.O. FND Enterprise Cooperative Credit Union

Secretary:

Mr. Bernard Malcolm MBA

Registered Office:

Marshall House
Independence Square West
Basseterre St. Kitts

Auditors:

PKF
Chartered Accountants
Independence Square North,
Basseterre, St. Kitts

Bankers:

Royal Bank of Canada, St. Kitts

First Caribbean International Bank,
St. Kitts and Nevis

SKNA National Bank, St. Kitts

Bank of Nova Scotia, St. Kitts

Solicitors:

Kelsick, Wilkin and Ferdinand
Independence Square South
Basseterre
St. Kitts

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the twenty-ninth Annual General Meeting of the Company, as a Public Company, will be held at Ocean Terrace Inn, Wigley Avenue, Fortlands, Basseterre, St. Kitts on 7th May 2020 at 5 o'clock in the afternoon for the following purposes:

1. To receive and consider the Financial Statements for the year ended 30th September 2019.
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 detachable form of proxy is enclosed as the last page in this booklet. Proxies must reach Secretary at least 48 hours prior to date of Annual General Meeting.

BY ORDER OF THE BOARD

Marshall House
1 Independence Square West
Basseterre
St. Kitts

Bernard Malcolm
Company Secretary
Dated 12th March 2020

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 retail, 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, SOL, Geest Line, King Ocean Services, Avis Rent a Car, Guardian General Insurance Limited and Ashley Furniture.

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.

CHAIRMAN'S REPORT

2019 was a year of record performance for the Group.

Income before taxation of $17,852,014 was an increase of $3,473,201 or 24.15% versus 2018. Similarly, Income after taxation of $13,435,133 was greater than 2018 by $4,998,122 or 59.24%. Basic earnings per share for 2019 was $0.22 versus $0.14 for 2018. Total Comprehensive Income was $13,348,785 versus $8,499,262 for 2018.

Turnover or group sales for 2019 was $158,181,802 versus $160,083,660 for 2018, a decrease of $1,901,858 or 1.19%. Our durable goods sector showed an increase of $444,500 or 0.77%. It should be noted that there was a change in how sales of Hire Purchase contracts are reported in 2019, however, the equivalent for 2018 was not restated. The effect is to show a lower comparative for 2019 than would otherwise have been shown. Our consumable goods sector decreased by $2,413,907 or 2.89%. Our automotive sector declined by 1,234,001 or 5.17%.

Gross profit decreased by $522,748 or 1.34% to $38,372,607.

Other Income increased by $4,472,710 or 43.96% to $14,656,073. Part of this increase is due to the change in reporting sales of Hire Purchase contracts referred to above, as well as a more precise way of measuring interest income due to recently utilized computer software.

The resulting Total Income increased by 3,949,962 or 8.05% to $53,028,680.

Expenses increased by $1,816,040 or 4.81% to $39,591,550. Administrative expenses increased by $1,469,294 or 5.79% due to Computer & related expenses, Repairs to plant & equipment and Employment, Transport & deliveries as well as Other expenses increased whereas Advertising and promotion and Finance costs decreased.

Income before Results of Associated companies increased by $2,133,922 or 18.88%, to $13,437,130.

Share of Results of Associated Companies was $4,414,884, an increase of $1,339,279 or 43.55%. This increase was due to record profitability by our joint venture company, St. Kitts Masonry Products Ltd. Carib continues to perform profitably.

Income tax Expense was $4,416,881 which is an effective rate of 24.7% versus the effective rate of 41.3% in 2018. This lower effective rate was due to a tax adjustment by our associated company, Carib. The effective tax rate for the group companies was 38%.

The group's solvency continues to be strong with a debt to equity ratio of 0.18:1 and a debt to total assets ratio of 0.13:1.

The outlook for 2020 is for similar results as experienced in 2019 as the economy continues to perform satisfactorily.

Your Directors recommend a final dividend of $0.069 per share which, along with the interim dividend of $0.065, will result in a total annual dividend of $0.134 per share for a total of $8,079,799.

2020 will mark the 145th year that the company would have been in existence.

It has been a profound pleasure serving the communities of St Kitts and Nevis as the company of choice for the past 145 years. We wish to thank all for their patronage and support over that period and we look forward to continuing to provide exceptional service in the years to come.

I also wish to thank our staff, both past and present, we could not have accomplished this milestone without your support and dedication.

I thank my fellow directors; both past and present, for their support and valued counsel.

W. Anthony Kelsick
B.A., B. Comm., CPA, CA.

OUR LONG SERVICE AWARDEES

Anthony Kelsick
Chairman & Managing Director

Raul Lake
Admin

Kenneth Johnson
Building Center

Vernon 'Ta' Harvey
Automotive

Rupert Tyrell
Building Center

Carlisle Pemberton
Nevis Center

Vincent Whyte
Building Center

Celeste Nisbett
Admin

Della Thompson
Admin

Oscar Walters
Nevis Center

Eugene Roland
Building Center

Patricia Ottley
Insurance

Thank You! WE COULD NOT HAVE DONE IT WITHOUT YOU.

Dennis Boddie
Avis

Ira Greene
Building Center

Odessa Lawrence
Valu Mart

Carmen Browne
Valu Mart

Francene Stevens
Automotive

Desmond Richards
Automotive

Yvonne Forbes-Smith
Nevis Center

Denise Baptiste
Shipping

Althea Browne
Nevis Center

Tamara Farrell
Nevis Center

Lavern Hodge
Shipping

REPORT OF THE DIRECTORS

The Directors submit their Report and Audited Accounts for the year ended 30 September 2019:

	2019	2018
Profit for the year (after providing for taxation)	$13,435,133	$8,437,021
The Board recommends a dividend of 13.4% (2018 = 10.7%)	$8,079,779	$6,451,764

In accordance with Articles 102 and 103 of the Articles of Association Mr. Victor Williams retires from the Board on rotation and, being eligible, offers himself for re-appointment.

In accordance with Articles 102 and 103 of the Articles of Association Mr. Anthony Gonsalves retires from the Board on rotation and, being eligible, offers himself 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

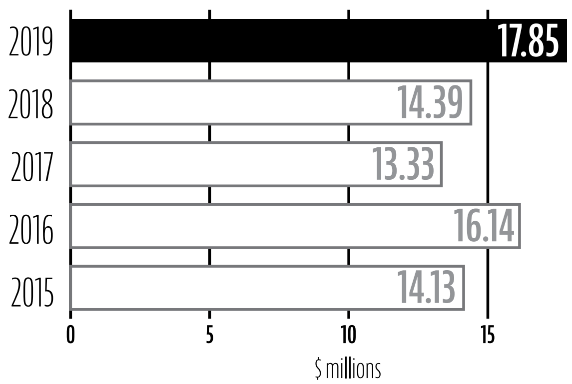
Bernard Malcolm

Company Secretary

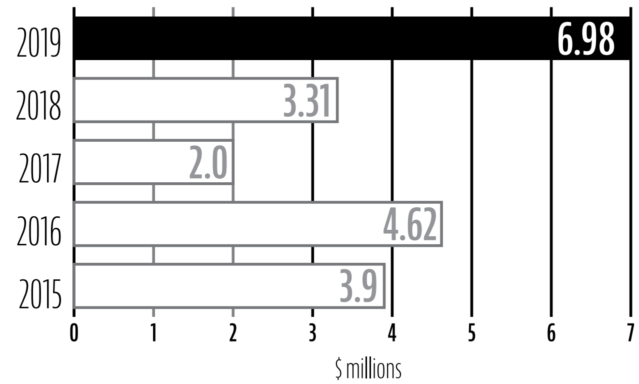
Dated 12th March 2020

FINANCIAL HIGHLIGHTS

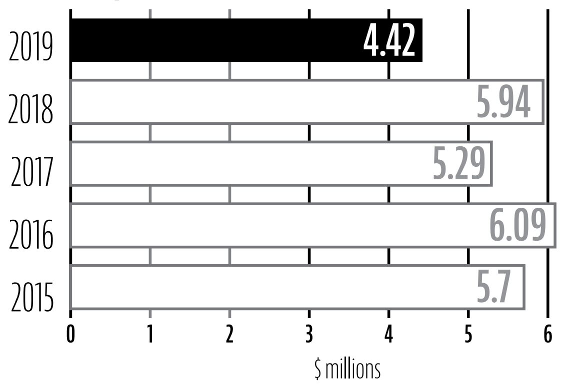
Income Before Tax



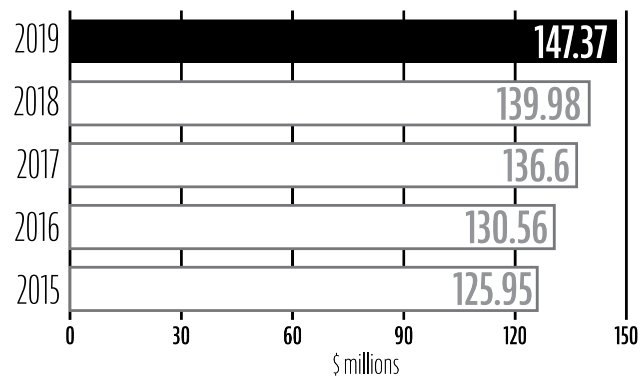
Profits Retained



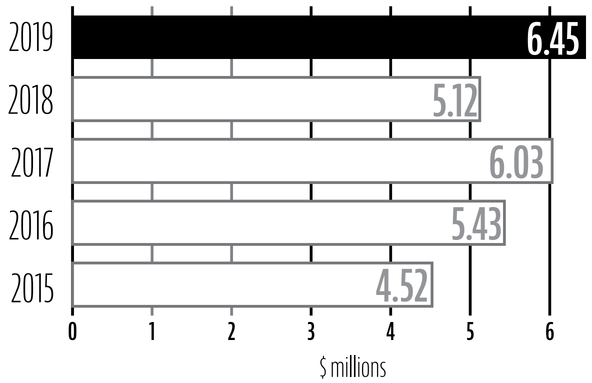
Corporation Tax



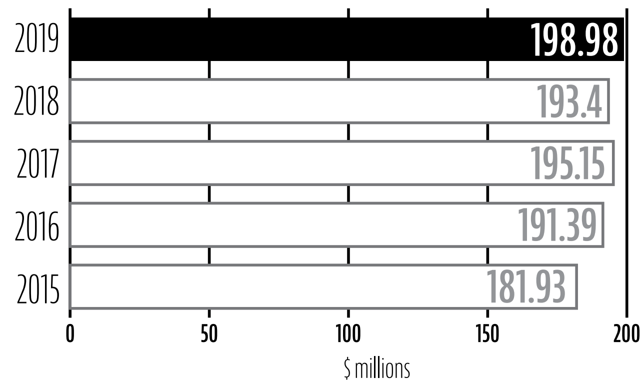
Shareholders' Equity



Dividends Paid



Total Assets



INDEPENDENT AUDITORS' REPORT

PKF

TO THE SHAREHOLDERS OF S.L. HORSFORD AND COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the 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 2019, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statement section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue Recognition

In light of the nature of the Group's business and the high volume of sales transactions, there may be circumstances which could result in revenue being recognised before risks and rewards are transferred to the Group's customers.

Revenue recognised for the year ended 30 September 2019 amounted to $158,181,802 which is material to the financial statements.

Independent Auditors' Report (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Revenue Recognition (continued)

How our audit addressed this key audit matter

Our audit procedures included but were not limited to internal control testing on the recognition of revenue in accordance with IFRS 15 – Revenue. In addition, we tested, on a sample basis, revenue recognised during the year with supporting documentation which included invoices and delivery documents, etc to evaluate the existence and the recording of revenues during the accounting period.

Our tests included but were not limited to, testing on a sample basis, transactions of sale of goods and services on either side of the Group's year end date. We also tested credit notes issued subsequent to the year end. These tests were carried out to assess whether these transactions were recognised in the correct accounting period.

Other information included in the Group's 2019 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent Auditors' Report (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditors' report is Omax Gardner.

PKF

Chartered Accountants
BASSETERRE – St Kitts
13 March 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

CURRENT ASSETS	**Notes**	**2019**	**2018**
Cash at Bank and in Hand		2,279,665	1,439,295
Accounts Receivable - Current	3	16,909,710	16,091,442
Taxation Recoverable	11	-	11,102
Inventories	4	42,041,255	39,375,214
		61,230,630	56,917,053
NON-CURRENT RECEIVABLES	3	24,028,338	23,510,099
AVAILABLE-FOR-SALE INVESTMENTS	5	503,885	590,233
INVESTMENT IN ASSOCIATED COMPANIES	6	14,909,847	11,561,275
INTANGIBLES	7	55,592	77,680
PROPERTY, PLANT AND EQUIPMENT	8	98,256,336	100,752,580
TOTAL NON-CURRENT ASSETS		137,753,998	136,491,867
TOTAL ASSETS		$198,984,628	$193,408,920
CURRENT LIABILITIES			
Loans and Bank Overdrafts	9	24,056,144	25,767,719
Accounts Payable and Accruals	10	16,713,160	13,867,347
Provision for Taxation	11	1,786,248	975,807
		42,555,552	40,610,873
NON-CURRENT LIABILITIES			
LOANS - NON-CURRENT	9	2,216,899	5,777,989
DEFERRED TAX LIABILITY	12	6,838,538	7,039,034
		9,055,437	12,817,023
TOTAL LIABILITIES		51,610,989	53,427,896
EQUITY			
SHARE CAPITAL	13	60,296,860	60,296,860
RESERVES	14	87,076,779	79,684,164
SHAREHOLDERS' FUNDS		147,373,639	139,981,024
TOTAL LIABILITIES AND EQUITY		$198,984,628	$193,408,920

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

Approved by the Board of Directors on March 12th 2020.

W Anthony Kelsick
Chairman

Natalie Kelsick
Director

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

	Notes	2019	2018
TURNOVER	2 (n)	158,181,802	160,083,660
Cost of Sales		(119,809,195)	(121,188,305)
GROSS PROFIT		38,372,607	38,895,355
OTHER INCOME	21	14,656,073	10,183,363
TOTAL INCOME		53,028,680	49,078,718
LESS: EXPENSES			
Administrative Expenses	22	(26,832,810)	(25,363,516)
Transport and Deliveries		(2,603,954)	(2,081,121)
Advertising and Promotion		(2,671,353)	(3,005,668)
Other Expenses		(2,099,819)	(1,460,261)
Depreciation and Amortisation		(4,209,731)	(4,310,466)
Finance Costs		(1,173,883)	(1,554,478)
		(39,591,550)	(37,775,510)
Income before Results of Associated Companies		13,437,130	11,303,208
Share of Results of Associated Companies	2 (e) & 6	4,414,884	3,075,605
INCOME BEFORE TAXATION		17,852,014	14,378,813
Income Tax Expense	11	(4,416,881)	(5,941,792)
INCOME FOR THE YEAR CARRIED TO STATEMENT OF COMPREHENSIVE INCOME		$13,435,133	$8,437,021
BASIC EARNINGS PER SHARE	15	$0.22	$0.14

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

	2019	2018
Income for the year	13,435,133	8,437,021
OTHER COMPREHENSIVE INCOME:		
Unrealised Holding (Loss)/Gain - (Decrease)/Increase in fair value of investments	(86,348)	62,241
TOTAL COMPREHENSIVE INCOME FOR THE YEAR CARRIED TO STATEMENT OF CHANGES IN EQUITY	$13,348,785	$8,499,262

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

	Share Capital	Revaluation Reserve	Other Capital Reserve	Unrealised Holding (Loss)/Gain - Investment	Retained Earnings	Total
Balance at 30 September 2017	60,296,860	44,400,473	706,431	377,512	30,825,719	136,606,995
Total Comprehensive Income	-	-	-	62,241	8,437,021	8,499,262
Dividend Paid ($0.085 per share)	-	-	-	-	(5,125,233)	(5,125,233)
Balance at 30 September 2018	60,296,860	44,400,473	706,431	439,753	34,137,507	139,981,024
Adjustment for IFRS 9 Adoption (Notes 2(a) & 3)	-	-	-	-	510,827	510,827
Adjustment for IFRS 9 Adoption - Associated Companies (Note 6)	-	-	-	-	(15,234)	(15,234)
Total Comprehensive Income	-	-	-	(86,348)	13,435,133	13,348,785
Dividend Paid ($0.108 per share)	-	-	-	-	(6,451,764)	(6,451,764)
Balance at 30 September 2019	$60,296,860	$44,400,473	$706,431	$353,405	$41,616,469	$147,373,639

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before Taxation	17,852,014	14,378,813
Adjustments for:		
Depreciation and Amortisation	4,209,731	4,310,466
Gain on disposal of Property, Plant and Equipment	(262,288)	(284,444)
Adjustment for IFRS 9 Adoption	510,827	-
Finance costs incurred	1,173,883	1,554,478
Share of income from Associated Companies	(4,414,884)	(3,075,605)
Operating profit before working capital changes	19,069,283	16,883,708
Net change in non-cash working capital balances related to Operations	(638,493)	(340,598)
	18,430,790	16,543,110
Finance costs paid	(1,173,883)	(1,554,478)
Taxation paid	(4,484,848)	(4,359,355)
Net cash inflow from operating activities	12,772,059	10,629,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(2,079,246)	(3,428,798)
Proceeds on disposal of Property, Plant and Equipment	663,685	695,927
Purchase of Intangibles	(13,550)	(96,414)
Dividends received from Associated Companies	1,740,090	1,885,135
Net cash provided by/(used in) investing activities	310,979	(944,150)
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-current Receivables	(518,239)	1,947,407
Loans repaid	(7,405,775)	(3,986,194)
Dividends paid to Shareholders	(6,451,764)	(5,125,233)
Net cash used in financing activities	(14,375,778)	(7,164,020)
Net (decrease)/increase in cash and cash equivalents	(1,292,740)	2,521,107
Cash and cash equivalents - beginning of year	877,944	(1,643,163)
Cash and cash equivalents - end of year	$(414,796)	$877,944
Cash and cash equivalents comprise:		
Cash	2,279,665	1,439,295
Bank Overdrafts	(2,694,461)	(561,351)
	$(414,796)	$877,944

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(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 18.

The Company is listed on the Eastern Caribbean Stock Exchange.

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 and certain available-for-sale investments which are included at fair value. 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.

These accounting policies adopted are consistent with those of the previous year and include the adoption of the new and amended IAS, IFRS and IFRIC:

New and amended pronouncements in effect and applicable:

IFRS 9 Financial Instruments

Finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Reconition and Measurement*. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a ‘fair value through other comprehensive income’ category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are difference in the requirements applying to the measurement of an entity’s own credit risk.

Impairment. The 2014 version of IFRS 9 introduces an ‘expected credit loss’ model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (continued)

a) Basis of Accounting (continued):

New and amended pronouncements in effect and applicable (continued):

Effective for annual periods beginning on or after 1 January 2018.

Upon adoption of IFRS 9, the Group recognised a reduction in impairment on the Group's trade receivables in the amount of $495,593 (Parent and Subsidiaries - $510,827 and ($15,234) – Associated Companies) with corresponding increase in Retained Earnings of the same amount as at 1 October 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters.

Applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018.

Adoption of this standard did not have any effect on the performance of the Group.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Applicable to annual reporting periods beginning on or after 1 January 2018.

Adoption of this standard and interpretation did not have any effect on the performance of the Group.

Clarifications to IFRS 15 'Revenue from Contracts with Customers'

Amends IFRS 15 *Revenue from Contracts with Customers* to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

2 ACCOUNTING POLICIES (continued)

a) Basis of Accounting (continued):

Clarifications to IFRS 15 'Revenue from Contracts with Customers' (continued):

Effective for annual periods beginning on or after 1 January 2018.

Adoption of this standard and interpretation did not have any effect on the performance of the Group.

New and amended standards and interpretations in issue but not yet effective and not early adopted:

IFRS 16	Leases	effective 1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	effective 1 January 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle		effective 1 January 2019

The group is still in the process of evaluating the impact of the above standards on the financial statements.

(b) Use of Estimates:

The preparation of consolidated 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.

The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provision for inventory obsolescence:

Provision for obsolescence of inventory is based on the assessment of the physical condition of inventory and average loss rate of inventory over a period of time.

Depreciation of property, plant and equipment:

The group estimates the useful lives and residual values of property, plant and equipment based on the intended use of these assets, the periodic review of actual asset lives and the resulting depreciation determined thereon.

Impairment of Financial Assets:

Management makes judgement at each statement of reporting date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment.

Fair value measurement:

A number of assets included in the group's financial statements require measurement at, and /or disclosure of fair value.

The group measures some of its assets at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants and the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset takes place either:

- In the principal market for the asset, or
- In the absence of a principal market, in the most advantageous market for the asset.

2 ACCOUNTING POLICIES (continued)

(b) Use of Estimates (continued):

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The measurement of non-financial assets at fair value takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value measurement of the group's financial and non-financial assets utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurement are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 – quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 – inputs other than quoted market price included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

The group measures the following at fair value:

- Revalued land and buildings – property, plant and equipment (see note 8)
- Available-for-sale investments - quoted (see note 5)

Fair values are based on quoted market prices for the specific instrument or comparisons with other similar financial instruments. Establishing valuations where there are no quoted market prices inherently involves the use of judgement and applying judgement in deteriorating economic conditions, types of instruments or currencies and other factors.

(c) Basis of Consolidation:

The consolidated financial statements include the audited financial statements of the company and entities controlled by it and its subsidiaries ("the group").

Control is achieved when the investor

- Has power over the investee;
- Is exposed or has rights to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

(d) Investment in subsidiaries:

Consolidation of a subsidiary begins from the date the investor gains control of an investee and ceases when the investor loses control of an investee. The cost of the acquisition is measured as the fair value of assets transferred, equity instruments issued and liabilities incurred at the date of exchange.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (continued)

(e) Investment in associated companies:

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income in the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any differences between the carrying amount of the associates upon loss of significant influence and the value of the remaining investment and proceeds from disposal is recognised in profit or loss.

(f) Foreign Currencies:

All amounts are expressed in Eastern Caribbean Dollars (the functional currency). Current assets and liabilities in foreign currencies are translated into Eastern Caribbean Dollars at the exchange rates prevailing at the reporting 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 Consolidated Statement of Income.

(g) Revenue Recognition:

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

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.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (continued)

(g) Revenue Recognition (continued):

Interest income:

Interest income is recognised as the interest accrues, unless collectability is in doubt.

Dividend:

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

Rental:

Rental income arising from operating leases on buildings is accounted for on the straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature.

(h) Financial Assets:

Loans and Receivables:

The group's loans and receivables comprise trade and other receivables and cash at bank and in hand in the statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise principally through the provision of goods and services to customers (eg trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Due to their short-term nature, the carrying value of cash at bank and in hand and trade and other receivables, net any provision for impairment, approximates their fair values.

The group has adopted IFRS 9 which has changed how the impairment of Loans and Receivable was previously measured under IAS 39. The group uses the Life Time Expected Credit Loss (LTECL) and Expected Credit Loss (ECL) when accessing the probability of default on it's portfolio.

Both the LTECL and ECL are calculated on a collective basis depending on the underlaying portfolio, the mechanism for which is described below.

Stage 1 The 12mECL is calculated as that portion of LTECL which represents the probability of default within the next 12 months of the reporting date.

Stage 2 Where there is a significant increase in the credit risk, the group records an allowance for the LTECL which is discounted for the historic recovery of this portfolio.

Stage 3 Where the financial instrument is considered to be impaired, the group recognizes a LTECL of 90 – 100%.

Available-for-sale Investments:

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, impairment is assessed and provisions for permanent impairment in the value of investments is made through the income statement.

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'

2 ACCOUNTING POLICIES (continued)

(h) Financial Assets (continued):

Available-for-sale Investments: (continued)

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.

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired;
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party.

(i) Financial Liabilities:

The group's financial liabilities comprise primarily trade and other payables and bank loans and overdrafts. The group has not designated any financial liabilities upon recognition as at fair value through profit or loss.

All financial liabilities are recognized initially at fair value. Due to their short-term nature, the carrying value of trade and other payables and overdrafts approximates their fair value. After the initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate method. The effective interest rate amortization is included as finance costs in the statement of income, where applicable.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

(j) 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.

(k) Leases:

Group as lessor

A lease where the Group is lessor and transfers all the risks and rewards of ownership of the leased asset to the lessee is treated as a finance lease. The amount due from customers under such finance lease arrangements is presented in the statement of financial position and included under Accounts Receivable.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

(l) 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%
Vehicles	12.5% - 30%
Cargo Handling Gear	20%
Furniture, Fittings and Equipment	10% - 20%
Coldrooms and Electrical Installations	10%
Plant and Equipment	6.67%, 20% - 33.33%
Building Renovations	10%

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (continued)

(l) Property, Plant and Equipment (continued):

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is derecognized.

Upon disposal of revalued assets, the group has elected to transfer in full, the revaluation reserve relating to the particular asset being sold to retained earnings.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

(m) 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.

(n) Turnover:

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

(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.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Customer loyalty programme provision

The group operates a loyalty points programme which allows customers to accumulate points when they purchase products in the group's retail stores. These points can be redeemed for free products subject to a minimum number of points being obtained and other specified conditions.

These provisions are recognized in the statement of income and are reviewed annually.

(p) 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 group 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 33 1/3% per annum.

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

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

2 ACCOUNTING POLICIES (continued)

(q) 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 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.

(r) Share Capital:

Financial instruments issued by the group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The group's ordinary shares are classified as equity instruments.

(s) Dividends:

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

(t) Current versus non-current distinctions:

The group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(u) Cash and Cash Equivalents:

Cash and cash equivalents include cash at bank and in hand less bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

3 ACCOUNTS RECEIVABLE

	2019	2018
Trade and Instalment Receivables	46,762,723	45,916,213
Less: Provision for impairment	(7,567,806)	(7,566,217)
	39,194,917	38,349,996
Sundry Receivables and Prepayments	1,743,131	1,251,545
	40,938,048	39,601,541
Less: **Non-current portion of Receivables**	(24,028,338)	(23,510,099)
TOTAL - Current	$16,909,710	$16,091,442

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

Movement on provision for impairment:

	2019	2018
Balance at beginning of year	7,566,217	7,547,37
Increase in provision for impairment	512,416	788,789
Impaired losses recovered	-	(769,950)
Adjustment for IFRS 9 Adoption through Statement of Changes in Equity	(510,827)	-
Balance at end of year	$7,567,806	$7,566,217

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

3 ACCOUNTS RECEIVABLE (continued)

Ageing analysis of trade receivables:

	Total	Future Due	Neither past due nor impaired	Past due but not impaired 30 to 90 days	Over 90 days
30 September 2019	$39,194,917	$24,028,338	$14,223,703	$716,572	$226,304
30 September 2018	$38,349,996	$23,510,099	$13,775,198	$851,312	$213,387

The carrying value of trade and other receivables approximates fair value.

Credit quality of the customer is assessed based on regular monitoring of accounts receivable and actual incurred historical data. Customer credit risk is also managed by establishing defined limits based on the customer's ability to pay.

Instalment receivables – cars are secured by bills of sale over the respective vehicles. Other accounts receivable are unsecured.

Summary Accounts Receivable by Stage

Group Consolidated Net Receivables	Stage 1	Stage 2	Stage 3	TOTAL
Installment Accounts 2019	24,928,520	5,657,454	238,359	30,824,333
Trade and Other Receivables 2019	8,459,645	1,499,175	154,895	10,113,715
	$33,388,165	$7,156,629	$393,254	$40,938,048
Accounts Receivable				
Installment Accounts 2018	24,404,649	5,525,264	233,099	30,163,012
Trade and Other Receivables 2018	7,935,837	1,355,633	147,059	9,438,529
	$32,340,486	$6,880,897	$380,158	$39,601,541
Group Provision for Impairment				
Balance at beginning of Year	-	1,047,635	6,518,582	7,566,217
Adjustment for IFRS 9	321,564	(528,819)	(303,572)	(510,827)
Increase/(Decrease) for the Year	(120,900)	572,930	60,386	512,416
Provision 2019	$200,664	$1,091,746	6,275,396	7,567,806
Balance at beginning of Year	-	225,987	7,321,389	7,547,376
Decrease for the Year	-	821,648	(802,807)	18,841
Provision 2018	$ -	$1,047,635	$6,518,582	$7,566,217

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

3 ACCOUNTS RECEIVABLE (continued)

Minimum Lease Amounts Receivable Due:	2019	2018
Within one year	16,113,947	14,630,793
Over one year but less than five years	34,858,115	31,659,905
Over five years	5,179,913	4,700,411
	$56,151,975	$50,991,109

Present value of minimum lease payments of finance leases:

Amounts Due:	2019	2018
Within one year	11,540,684	8,840,756
After one year but less than five years	20,603,770	20,348,403
Over five years	3,424,568	3,107,574
	$35,569,022	$32,296,733

This balance includes amounts receivable under hire purchase and finance lease agreements.

4 INVENTORIES

	2019	2018
Merchandise	37,679,515	35,935,074
Goods In Transit	4,361,740	3,440,140
TOTAL	$42,041,255	$39,375,214

5 AVAILABLE-FOR-SALE INVESTMENTS

	2019	2018
Quoted Securities	453,884	540,232
Unquoted Securities	50,001	50,001
TOTAL	$503,885	$590,233

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

6 INVESTMENT IN ASSOCIATED COMPANIES

	2019	2018
Original cost of investments	3,048,436	3,048,436
Increase in equity over cost from acquisition to the end of previous year	8,512,840	8,793,532
	11,561,276	11,841,968
Share of net income less dividends received from Associated Companies (see below)	3,363,805	(280,693)
Prior Year Adjustment – IFRS 9 Adoption	(15,234)	-
Balance at End of Year	$14,909,847	$11,561,275

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

	2019	2018
Share of income before taxation	4,414,884	3,075,605
Taxation (Note 11)	689,011	(1,471,163)
	5,103,896	1,604,442
Dividends received	(1,740,090)	(1,885,135)
TOTAL (As Above)	$3,363,805	$(280,693)

The following entities have been included in the consolidated financial statements using the equity method:

Name	**Country of Incorporation/ principal place of business**	**Proportion of ownership interest held at 30 September 2019**	**2018**
St Kitts Masonry Products Limited	St Kitts	50%	50%
St Kitts Developments Limited	St Kitts	30%	30%
Carib Brewery (St Kitts & Nevis) Limited	St Kitts	20.1%	20.1%

The primary businesses of the associated companies are disclosed in Note 18.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

6 INVESTMENT IN ASSOCIATED COMPANIES (continued)

Summarised financial information – Carib Brewery (St Kitts and Nevis) Limited:

	2019 $	2018 $
Current Assets	26,844,631	18,760,093
Non-current assets	22,272,678	17,631,566
Current liabilities	14,927,182	18,495,724
Non-current liabilities	1,998,516	1,771,190
Revenue	46,120,475	42,242,270
Profit after tax	18,116,867	5,690,609
Total Comprehensive Income	18,116,867	5,690,609
Dividend from associate	990,090	1,485,135

Summarised financial information – St Kitts Developments Limited and St Kitts Masonry Products Limited:

	2019	2018
Current Assets	7,910,091	5,798,130
Non-current assets	17,591,084	17,652,881
Current liabilities	4,000,687	3,419,279
Non-current liabilities	3,034,636	3,131,572
Revenue	29,308,956	20,074,674
Profit after tax	2,920,882	928,627
Other Comprehensive Income	-	-
Total Comprehensive Income	2,920,882	928,627
Dividend from associates	750,000	400,000

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

7 INTANGIBLES

	2019	2018
Software – cost brought forward (See Note 2(p))	250,975	154,561
Additions	13,550	96,414
Software – cost carried forward	264,525	250,975
Accumulated Amortisation – brought forward	173,295	134,216
Amortisation	35,638	39,079
Accumulated Amortisation – carried forward	208,933	173,295
NET CARRYING AMOUNT	$55,592	$77,680

8 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings - at Cost/ Valuation	Plant, Vehicles and Other Assets - at cost	Capital Work in Progress - at cost	Total
Year Ended 30 September 2019				
Gross Carrying Amount - beginning of year	89,561,704	30,628,599	8,326	120,198,629
Additions	96,902	1,982,344	-	2,079,246
Disposals	-	(1,600,743)	(8,326)	(1,609,069)
Gross Carrying Amount - end of year	89,658,606	31,010,200	-	120,668,806
Accumulated Depreciation - Brought Forward	2,531,425	16,914,624	-	19,446,049
Current year's depreciation	1,218,817	2,955,276	-	4,174,093
Disposals	-	(1,207,672)	-	(1,207,672)
Accumulated Depreciation - Carried Forward	3,750,242	18,662,228	-	22,412,470
Net Carrying Amount – 2019	$85,908,364	$12,347,972	$ -	$98,256,336
Year Ended 30 September 2018				
Gross Carrying Amount - beginning of year	89,470,303	29,563,265	-	119,033,568
Additions	91,401	3,329,071	8,326	3,428,798
Disposals	-	(2,263,737)	-	(2,263,737)
Gross Carrying Amount - end of year	89,561,704	30,628,599	8,326	120,198,629
Accumulated Depreciation - Brought Forward	1,330,173	15,696,744	-	17,026,917
Current year's depreciation	1,201,252	3,070,135	-	4,271,387
Disposals	-	(1,852,255)	-	(1,852,255)
Accumulated Depreciation - Carried Forward	2,531,425	16,914,624	-	19,446,049
Net Carrying Amount – 2018	$87,030,279	$13,713,975	$8,326	$100,752,580

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

8 PROPERTY, PLANT AND EQUIPMENT (continued)

Revaluation:

The majority of the group's lands and buildings were revalued in July 2009 to amounts which approximated current market values. The revalued amounts were incorporated in these financial statements at 1 October 2009. The surplus on revaluation was placed in Capital Reserves.

The group's lands and buildings were again revalued on 20 September 2017 by Charterland, Chartered Surveyors and Property Consultants to an amount which approximated their market values at 20 September 2016.

The directors decided to incorporate the revalued figures at 1 October 2016. The surplus on revaluation has been placed in Capital Reserves.

The surplus on revaluation is made up as shown hereunder:

Lands and Buildings – At Cost/Valuation – 1 October 2016	88,954,770
Accumulated Depreciation - At 1 October 2016	(6,211,848)
	82,742,922
Revaluation	87,261,052
SURPLUS ON REVALUATION	4,518,130
Less: Related Deferred Tax (Note 12)	(491,538)
NET REVALUATION RESERVE	$4,026,592

Additions subsequent to revaluation are stated at cost.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

9 LOANS AND BANK OVERDRAFTS

	2019	2018
Current:		
Overdrafts	2,694,461	561,351
Loans – Current Portion	21,361,683	25,206,368
TOTAL CURRENT LOANS AND BANK OVERDRAFTS	$24,056,144	$25,767,719
LOANS – NON-CURRENT	$2,216,899	$5,777,989
Summary of Loans and Overdrafts:		
Amounts Payable:		
Within 1 year	24,056,144	25,767,719
Over 1 year – 5 Years	2,216,899	5,777,989
Over 5 Years	-	-
TOTAL LOANS	$26,273,043	$31,545,708
Analysed as follows:		
Secured	7,718,033	9,714,319
Unsecured	18,555,010	21,831,389
TOTAL	$26,273,043	$31,545,708

Repayment Terms:

Loans are repayable over periods varying from one (1) to twelve (12) years at rates of interest of between approximately 4% and 4.5% for EC$ denominated loans.

Collateral for Advances:

The Bank Loans and Overdrafts are secured by debentures executed by the Parent Company and two subsidiaries totalling $56,428,000 (2018 = $56,428,000).

The principal instalments due within the twelve months ending 30 September 2020 have been shown under Current Liabilities.

10 ACCOUNTS PAYABLE AND ACCRUALS

	2019	2018
Trade Payables	11,933,787	9,237,600
Sundry Payables, Provisions and Accruals	4,779,373	4,629,747
TOTAL	$16,713,160	$13,867,347

The carrying value of trade and other payables approximates their fair value.

11 TAXATION

	2019	2018
Statement of Financial Position		
Taxation in the Statement of Financial Position comprises the following:		
Taxation Recoverable	$ -	$(11,102)
Provision for Taxation - Current Year	$1,786,248	$975,807
Statement of Income		
The Taxation charge in the Statement of Income comprises the following:		
Provision for charge on Current Profits	5,306,274	4,561,924
Over/Underprovision – previous year	114	(714)
Deferred Tax (Note 12)	(200,496)	(90,581)
	5,105,892	4,470,629
Associated Companies (Note 6)	(689,011)	1,471,163
TOTAL	$4,416,881	$5,941,792

The group's effective tax rate of 24.7% (2018 = 41.3%) differs from the Statutory rate of 33% as follows:

	2019	2018
Profit before taxation	$17,852,014	$14,378,813
Taxes at statutory rate 33%	5,891,165	4,745,008
Tax effect of expenses not deductible in determining taxable profits	619,883	1,078,587
Tax effect of income not assessable for taxation	(320,592)	(5,841)
Tax effect on non qualifying assets	136,927	134,073
Underprovision - previous year	114	(714)
Tax effect on revaluation of building	(1,920,216)	-
Other	9,600	(9,321)
TOTAL	$4,416,881	$5,941,792

All income tax assessments up to and including the year of assessment 2019/18 have been submitted to the Comptroller of Inland Revenue and the taxes duly paid.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

12 DEFERRED TAX LIABILITY

	2019	2018
Deferred Tax Liability (Net) – at beginning of year	7,039,034	7,129,615
Deferred Tax - Income Statement(Note 11)	(200,496)	(90,581)
Deferred Tax Liability (Net) – at end of year	$6,838,538	$7,039,034
Deferred Tax Liability (Net) comprises the following:		
Deferred Tax Asset - Unutilised Capital Allowances and Losses	(5,751)	(57,296)
Deferred Tax Liability - Accelerated Capital Allowances	6,844,289	7,096,330
	$6,838,538	$7,039,034

13 SHARE CAPITAL

	2019	2018
Authorised		
100,000,000 (2018 = 100,000,000) Ordinary Shares of $1 each		
Issued and Fully Paid		
60,296,860 (2018 = 60,296,860) Ordinary Shares of $1 each	$60,296,860	$60,296,860

Dividend:

Dividend of 13.4% (2018 = 10.7%) per ordinary share amounting to $8,079,779 (2018 = $6,451,764) in respect of 2019 has been proposed by the Directors. The Financial Statements of the year ended 30 September 2019 do not reflect this proposed dividend which, if ratified, will be accounted for in equity as an appropriation of retained earning in the year ending 30 September 2020.

14 RESERVES

The following describes the nature and purpose of each reserve within equity:

Revaluation reserve gains/losses arising on the revaluation of the group's property.

Other capital reserve sugar rehabilitation/return on investments

Unrealised holding gain gains/losses on revaluation of financial assets classified as available-for-sale

Retained earnings all other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

15 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year by the weighted average of ordinary shares outstanding during the year adjusted for events other than the issue of bonus shares:

	2019	2018
Net Income for the Year	$13,435,133	$8,437,021
Number of shares in issue during the year	60,296,860	60,296,860
Basic earnings per share	$0.22	$0.14

16 CONTINGENT LIABILITIES

Parent Company:

a) Unfunded Pension:

The Parent 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 Parent Company has given guarantees to First Caribbean International Bank and Royal Bank of Canada as collateral for overdraft facilities of up to $4,200,000 (2018 = $4,200,000) for its Subsidiary Companies, Ocean Cold Storage (St Kitts) Limited, S.L. Horsford Finance Company Limited,

S.L. Horsford Nevis Limited and S.L. Horsford Shipping Limited.

Associated Company:

The Parent Company issued a Letter of Undertaking to First Caribbean International Bank Limited in the amount of EC $500,000 to meet any shortfalls in debt service of St Kitts Masonry Products Limited, a 50% owned Associated Company.

c) Letters of Credit:

At the year end, the Group had outstanding letters of credit totalling $1,260,000 (2018 = $448,820).

d) Legal Claims:

At 30 September 2019, there were no contingent liabilities regarding legal claims (2018 = Nil).

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

17 RELATED PARTY TRANSACTIONS

	2019	2018
1. The following transactions were carried out with associated parties during the year:		
i) Sales of goods and services	$3,524,849	$3,797,221
ii) Purchases of goods and services	$3,524,849	$4,370,808
iii) Management fees	$48,000	$48,000
iv) Dividends received	$1,740,090	$1,885,135
2. Compensation of key management personnel of the Company and its subsidiaries:		
Salaries and Other Benefits	$1,159,253	$1,148,194
3. Balances dueto/from Related Parties		
Due from Associated Companies	$582,770	$57,461
Due from Directors	$17,504	$15,902
Due to Associated Companies	$27,507	$448,204
Due to Directors	$6,969,691	$11,253,016

The balances due to associated companies and directors comprised substantially unsecured demand loans with interest chargeable at the rate of 4% per annum.

The group has not made any allowance for bad or doubtful debts in respect of related party debtors. A guarantee has been given on behalf of an associated company (see Note 16 (b)).

18 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

18 DETAILS OF SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

<u>Associated Companies</u>

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

19 FINANCIAL INSTRUMENTS

a) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term borrowings and overdrafts with financial institutions and short-term demand deposits.

The group manages centrally its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rates and terms of borrowing are disclosed in Note 9.

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, unquoted investments, accounts payable and loans.

It is the directors' opinion that because of the short-term maturities of cash and bank balances, accounts receivable, accounts payable and loans their carrying value approximates their fair value.

In the directors' opinion, the carrying amount of unquoted investments approximates its fair value since their fair value cannot be measured reliably. The carrying amount is measured at cost less provision for impairment.

Financial and non-financial assets measured at fair value are as follows:

Financial assets:

Available-for-sale Investments (quoted):

These assets are categorised as Level 1 in the fair value hierarchy as these instruments are traded in an active market and is based on the quoted market prices at the reporting date.

Available-for-sale Investments (unquoted)

These assets are categorised as Level 3 since they are not traded in an active market and there are unobservable inputs for these assets.

Non-financial assets:

Freehold lands and buildings:

These assets are categorised as Level 2 in the fair value hierarchy.

Fair value is based on the revaluations of freehold properties carried out in July 2016 by professional valuers. (See Note 8)

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

19 FINANCIAL INSTRUMENTS (continued)

c) Fair Values (continued):

Fair value measurement hierarchy for financial and non-financial assets at 30 September 2019:

			Fair value measurements using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Financial Assets:					
Available-for-sale financial assets:					
Quoted equity shares	30 September 2019	453,884	453,884	-	-
Unquoted equity shares	30 September 2019	50,001	-	-	50,001
		$ 503,885	$ 453,884	-	$ 50,001
Non-financial assets:					
Lands and buildings	30 September 2019	$85,908,364	-	$85,908,364	-

There were no transfers between levels 1, 2 or 3 fair values during the year under review.

For fair value measurement and valuation processes, see Note 2 (b).

Fair value measurements hierarchy for financial and non-financial assets at 30 September 2018:

			Fair value measurements using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
Financial Assets:					
Available-for-sale financial assets:					
Quoted equity shares	30 September 2018	540,232	540,232	-	-
Unquoted equity shares	30 September 2018	50,001	-	-	50,001
		$ 590,233	$540,232	$ -	$50,001
Non-financial assets:					
Lands and buildings	30 September 2018	$87,030,279	-	$87,030,279	-

There were no transfers between level 1, 2 or 3 fair values during the year.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

19 FINANCIAL INSTRUMENTS (continued)

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.

At the year end, the group's net exposure to foreign exchange risk was as follows:

The aggregate value of financial assets and liabilities by reporting currency are as follows:

Year ended 30 September 2019

ASSETS	**EC$**	**US$**	**£ Sterling**	**Total**
Cash at bank and in hand	1,791,657	488,008	-	2,279,665
Trade and other receivables	40,529,476	312,860	-	40,842,336
Investments	15,274,848	138,884	-	15,413,732
	$57,595,981	$939,752	-	$58,535,733
LIABILITIES				
Loans and bank overdrafts	26,273,043	-	-	26,273,043
Trade and other payables	13,439,386	3,257,637	16,137	16,713,160
	$39,712,429	$3,257,637	$16,137	$42,986,20

Year ended 30 September 2018

ASSETS	**EC$**	**US$**	**£ Sterling**	**Total**
Cash at bank and in hand	1,149,278	290,017	-	1,439,295
Trade and other receivables	39,025,677	115,589	-	39,141,266
Investments	11,982,975	168,533	-	12,151,508
	$52,157,930	$574,139	-	$52,732,069
LIABILITIES				
Loans and bank overdrafts	30,428,187	1,117,521	-	31,545,708
Trade and other payables	11,064,008	2,779,797	23,542	13,867,347
	$41,492,195	$3,897,318	$23,542	$45,413,055

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

19 FINANCIAL INSTRUMENTS (continued)

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.

The following table summarises the maturity profile of the Group's financial liabilities and assets at 30 September 2019:

	Due within 1 Year	>1 year to 5 years	Over 5 years	Total
Financial Liabilities:				
Year ended 30 September 2019				
Loans and overdrafts	24,056,144	2,216,899	-	26,273,043
Accounts payable and accruals	16,713,160	-	-	16,713,160
	$40,769,304	$2,216,899	$ -	$42,986,203
Year ended 30 September 2018:				
Loans and overdrafts	25,767,719	5,777,989	-	31,545,708
Accounts payable and accruals	13,867,347	-	-	13,867,347
	$39,635,066	$5,777,989	$ -	$45,413,055
Financial Assets:				
Year ended 30 September 2019:				
Cash with bankers and in hand	2,279,665	-	-	2,279,665
Accounts Receivable	17,080,982	20,383,044	3,378,310	40,842,336
Investments	-	-	15,413,732	15,413,732
	$19,360,647	$20,383,044	$18,792,042	$58,535,733
Year ended 30 September 2018:				
Cash with bankers and in hand	1,439,295	-	-	1,439,295
Accounts Receivable	15,631,167	20,402,524	3,107,575	39,141,266
Investments	-	-	12,151,508	12,151,508
	$17,070,462	$20,402,524	$15,259,083	$52,732,069

20. SEGMENT REPORTING

The executive directors monitor the operating results of its business for the purpose of making decisions about resource allocation and performance assessment. For management purposes, the group is organised into business units based on its products and had four reportable segments as follows:

- Durable goods: sale of building materials, hardware, furniture and appliances;
- Automotive: sale of cars, car spares, car servicing and car rental income;
- Consumable goods: sale of food, related grocery items and gasoline;
- Other: sale of items not included in the above.

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

20. SEGMENT REPORTING (continued)

Inter-segment revenues and balances are eliminated upon consolidation as shown below.

Year ended 30 September 2019	Durable Goods	Automotive	Consumable Goods	Other	Unallocated /Head Office	Eliminations	Total
External Sales	58,013,000	22,633,091	81,060,561	-	-	(3,524,850)	158,181,802
Other Income	2,742,577	7,765,304	15,928	10,293,962	-	(6,161,698)	14,656,073
Total Revenue	$ 60,755,577	$ 30,398,395	$81,076,489	$10,293,962	-	$ (9,686,548)	$ 172,837,875
Operating Income before finance costs	5,568,868	4,492,730	2,365,632	2,700,391	-	(516,608)	14,611,013
Finance Costs	(300,993)	(906,534)	(55,019)	(1,337)	-	90,000	(1,173,883)
	5,267,875	3,586,196	2,310,613	2,699,054	-	(426,608)	13,437,130
Share of results of Associated Companies	2,278,994	-	2,138,238	(2,348)	-	-	4,414,884
Operating Income before Taxation	$7,546,869	$3,586,196	$ 4,448,851	$2,696,706	-	$(426,608)	17,852,014
Taxation							(4,416,881)
Net Income after Taxation							$13,435,133

The segment assets and liabilities at 30 September 2019 were as follows:

	Durable Goods	Automotive	Consumable Goods	Other	Unallocated /Head Office	Eliminations	Total
Operating assets	57,599,533	57,918,283	22,727,259	14,435,271	42,004,870	(10,610,440)	184,074,776
Investments in Associated Companies	7,933,160	-	6,496,826	479,866	-	-	14,909,852
Total Consolidated Assets	$65,532,693	$ 57,918,283	$29,224,085	$14,915,137	$ 42,004,870	$(10,610,440)	$198,984,628
Total Consolidated Liabilities	$12,370,678	$ 19,085,674	$5,585,786	$2,208,733	$26,472,055	$(14,111,937)	$51,610,989
Capital Expenditure	$362,843	$673,354	$820,283	$59,500	$163,266	-	$2,079,246
Depreciation and amortisation	$1,143,081	$808,465	$1,409,508	$165,520	$683,157	-	$4,209,731

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

20. SEGMENT REPORTING (continued)

Year ended 30 September 2018	Durable Goods	Automotive	Consumable Goods	Other	Unallocated /Head Office	Eliminations	Total
External Sales	57,568,500	23,867,092	83,474,468	-	-	(4,826,400)	160,083,660
Other Income	228,921	6,532,273	19,525	9,488,320	-	(6,085,676)	10,183,363
Total Revenue	$57,797,421	$30,399,365	$83,493,993	$9,488,320	-	$(10,912,076)	$170,267,023
Operating Income before finance costs	4,750,576	3,974,584	2,505,712	2,115,784	-	(488,970)	12,857,686
Finance Costs	(499,918)	(1,146,337)	(66,079)	67,856	-	90,000	(1,554,478)
	4,250,658	2,828,247	2,439,633	2,183,640	-	(398,970)	11,303,208
Share of results of Associated Companies	786,557	-	2,294,087	(5,039)	-	-	3,075,605
Operating Income before Taxation	$5,037,215	$2,828,247	$4,733,720	$2,178,601	-	$ (398,970)	14,378,813
Taxation							(5,941,792)
Net Income after Taxation							$8,437,021

The segment assets and liabilities at 30 September 2018 were as follows:

	Durable Goods	Automotive	Consumable Goods	Other	Unallocated /Head Office	Eliminations	Total
Operating assets	59,126,135	53,965,879	34,229,718	10,792,330	40,308,146	(16,574,563)	181,847,645
Investments in Associated Companies	7,173,638	-	4,181,082	206,555	-	-	11,561,275
Total Consolidated Assets	$66,299,773	$53,965,879	$38,410,800	$10,998,885	$ 40,308,146	$(16,574,563)	$193,408,920
Total Consolidated Liabilities	$11,547,575	$23,540,401	$4,479,956	$ 1,971,872	$ 28,615,578	$(16,727,486)	$53,427,896
Capital Expenditure	$422,343	$1,777,443	$776,209	$63,133	$389,670	-	$3,428,798
Depreciation and amortisation	$1,127,966	$833,646	$1,420,491	$192,014	$736,349	-	$4,310,466

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

21 OTHER INCOME

	2019	2018
Interest	8,512,096	4,470,641
Dividend income	22,420	17,701
Lease and rental income	908,051	934,874
Car Servicing and related Income	1,002,978	900,547
Car rental income	1,504,755	1,607,591
Shipping income	1,555,826	1,188,836
Insurance commission income	544,753	485,955
Truckage delivery income	250,020	227,886
Gain on sale of property, plant and equipment	262,288	284,444
Miscellaneous	92,886	64,888
TOTAL	$14,656,073	$10,183,363

22 ADMINISTRATIVE EXPENSES

	2019	2018
Occupancy costs	1,515,199	1,657,424
Utilities	2,081,588	2,020,555
Computer and Related Costs	692,477	147,679
Insurance	1,046,574	1,081,287
Stationery and supplies	453,127	360,336
Repairs to plant and equipment	783,143	568,251
Communications	430,429	421,807
Employment	19,830,273	19,106,177
TOTAL	$26,832,810	$25,363,516

23 CAPITAL COMMITMENTS

At year end, there were no capital commitments (2018 = Nil).

Notes to the Consolidated Financial Statements (cont'd)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

(Expressed in Eastern Caribbean Dollars)

24 RECLASSFICATION

During the year under review, certain items in Other Expenses have been reclassified to Administrative Expenses to improve the financial statement presentation. The previous year's figures have been reclassified to be consistent with this year's presentation.

The effect on these expenses for the previous year are shown hereunder.

Description	**As Previously Reported**	**Reclassification**	**As Reclassified**
Other Expenses	1,464,761	(4,500)	1,460,261
Administrative Expenses	25,359,016	4,500	25,363,516

This reclassification has no effect on the results as reported for the current and previous years.

S.L. HORSFORD & CO LTD

(Incorporated in the Federation of St Christopher – Nevis, West Indies)

PROXY FORM

I/We ________________________________ of __________________________________

a member/members of S.L. Horsford & Company Limited and entitled to ______________votes

hereby appoint ________________________ of __________________________________

and failing him/her____

to vote for me and on my behalf, at the Annual General Meeting of the Company, to be held on the 7th day of May, 2020 and at every adjournment thereof.

As witness my hand this __________________ day of _______________________ 2020.

Signature____________________________

SLH
EST. 1875
145
Years

S.L. HORSFORD & CO. LTD
AND ITS SUBSIDIARY COMPANIES