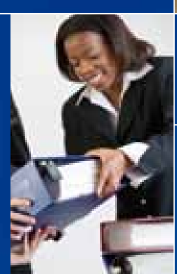
St. Kitts Nevis Anguilla Trading and Development Co. Ltd.

2009-2010

• COMMITMENT • LOYALTY •



37th Annual Report

DEDICATION •

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LOYALTY

DEDICATION

COMMITMENT

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MISSION STATEMENT

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

VISION STATEMENT

To be the leading public Company in the OECS as measured by:

- Customer Satisfaction
- Return on Investment (ROI)
- Human Resource Development
- Good Corporate Citizenship

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Corporate Information
2009 Annual General Meeting

Back Row (l - r) Melvin R. Edwards B.A., MSc, Jacques A. C. Cramer, Kenneth N. Kelly, Ernie A. France B.A., Clive E. R. Ottley M.B.B.S., (Lond) F.R.C.OG

Front Row (l - r) Nicolas N. Menon B.Sc. (Hons), M.B.A., Charles L. A. Wilkin Q.C., M.A. (Cantab), D. Michael Morton (Chairman), Myrna Walwyn B.Sc., M.A., Dip. Law,
Earle A. Kelly B.A., M.B.A.

Missing from Photo: Maritza S. Bowry B.Sc., M.B.A. (Company Secretary)

Registered Office:	Fort Street, Basseterre, St. Kitts
Bankers:	FirstCaribbean International Bank (Barbados) Ltd.
	St. Kitts Nevis Anguilla National Bank Ltd.
	Royal Bank of Canada
	The Bank of Nova Scotia

Notice of Meeting

Notice is hereby given that the 37th Annual General Meeting of the St. Kitts Nevis Anguilla Trading and Development Company will be held at the Fisherman's Wharf, Fortlands, Basseterre, St.Kitts, on Thursday 1 July, 2010 at 5:00 p.m.

AGENDA

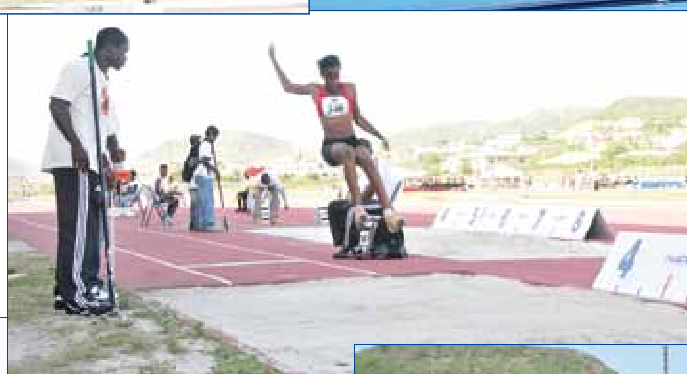
1. To receive the Report of the Directors
2. To receive and consider the Financial Statements for year ended 31 January, 2010
3. To receive and consider the Report of Auditors thereon
4. To declare a Dividend
5. To elect Directors to replace those retiring by rotation
6. To appoint Auditors and to authorize the Directors to fix their remuneration for the ensuing year.

BY ORDER OF THE BOARD

Maritza Bowry

Maritza Bowry
Company Secretary

TDC/Coca Cola Interschool Track and Field Championships



Directors' Report 2009/2010

In what was generally considered as the most challenging year for businesses worldwide in recent memory, the thirty seventh year of the company was another successful, albeit less profitable one. **Net Income Before Taxation**, totaled **$11,132,852** compared to **12,863,461** last year, which was restated. Total Turnover and gross profit fell by $36 million or 17% and by $7 million or 13% respectively. There was a slight improvement in the Gross Profit to Turnover ratio. Expenses were reduced by over $5.5 million or 10.7%.

The Board recommends a final dividend of 3.25 cents per share, following the interim dividend of 2.75 cents per share that was paid in December, 2009. If the shareholders approve, the total dividend for the year will be 6.00 cents per share, with a total payout for dividend of **$3,120,000.00** which is the same as last year.

PERFORMANCE REVIEW

GENERAL TRADING

The Trading departments of the Group reported mixed results as the recession persisted during the year. The retail divisions, including the **Home and Building Depots, Automotive Division, Drinks Depot, City Drug Store and Business Equipment** suffered, in varying degrees, from the reduction in economic activity in general, and in the tourism and construction sectors, in particular. In Nevis, the impact was more dramatic as the Four Seasons Resort, theisland's largest private sector employer and major economic engine, remained closed.

SERVICES

The results of the **Shipping Agencies** were lower than last year through a dramatic reduction in the levels of imports. During the year, one of our principals, Sea Star Shipping Line discontinued its service into the Federation and the operations of another were severely hampered by the continuing inability of the berthing ramps at the Basseterre port to accommodate its vessel. **TDC Rentals Ltd and TDC Rentals (Nevis) Ltd** produced improved results for the year. The auto rentals services benefited from higher revenues, improved fleet management and cost control. However, the hire purchase business was static.

FINANCE & INSURANCE

Despite the growth in all lines of its business, **St Kitts and Nevis Finance Company Limited (FINCO)** reported reduced profits for the year. This resulted from higher loan loss provisions and lower rates on loans because of competitive pressures in a depressed market.

St Kitts Nevis Insurance Company Ltd (SNIC) continued to be one of the main contributors to the company's fortunes. While there was little growth in premium income, the company's prudent underwriting policies and effective claims management practices continued to accrue benefits. During the year, the company established a relationship with Sagicor Life Inc. which has placed it in a position to offer a full suite of insurance products.

TOURISM

Ocean Terrace Inn Ltd (OTI), continued to suffer very badly from the decline in tourist arrivals, depressed average room rates, and continuing increases in operating and maintenance costs. Accumulated losses for the last four years total over $3,000,000.00 which has been financed by the parent company. These resources would normally be utilized for investment in new ventures, expansion and capital improvements.

Through greater management focus on expenses **TDC Airline Services Ltd** was able to reduce its losses from the previous year. Improvements were realized as British Airways filled the void created by the loss of the XL Airways service. However, the corporate aircraft busine ss, a major revenue source, continued to be very weak, primarily because of the ongoing closure of the Four Seasons Resort.

The Carib World Travel division of **TDC Airline Services (Nevis) Ltd.** performed creditably under most difficult conditions. Due to good ticket sales and reductions in costs, the company generated reasonably healthy profits. During the year, American Eagle suspended its flights into Nevis and Winair dramatically reduced its schedule.

The operations of **TDC Tours Ltd.** were subsumed into those of TDC Airline Services Limited in order to reduce costs. This has resulted in a dramatic reduction in the losses suffered in the previous year.

REAL ESTATE DEVELOPMENT

The sales of homes by **TDC Real Estate and Construction Company Ltd.** at Sunrise Hills and **Conaree Estates Ltd** at Atlantic View Residences were negatively impacted by the international and local economic conditions. Only one home at Atlantic View and three at Sunrise Hills were sold. This brings the total number of units sold to date to twenty two at Sunrise Hills and seven at Atlantic View. However, towards year end interest in both developments picked up.

The Cable Bay Hotel Development Company's condominium and villa development continued during the year. Phases I and II of the development comprising of one and two bedroom condominium units on the hillside and beach front have been completed. Seven hillside villas are under construction. Construction of Phase III, comprising of 70 poolside units, is expected to commence shortly.

ASSOCIATED COMPANIES

St Kitts Bottling Company Ltd. was able to take advantage of the efficiencies created by the new PET plant. This along with export sales helped the company to increase its profit over last year.

St Kitts Masonry Products Ltd reported good, albeit reduced results for the year. The capital improvements mentioned last year continued during the year. Measures to improve product quality were implemented and these have already had positive results.

MAICO, our associate insurance company in Anguilla contributed significantly to the company's bottom line despite difficult economic and market conditions on that island.

SOCIAL CONTRIBUTION

Despite the challenging economic times the company continued its support to several worthy causes and organizations. Assistance was provided to the various national and community festivals, sports clubs and tournaments. In addition, the company continued to honour its commitments to the Warren Tyson Scholarship Programme for high schoolers, Rotary's Advancement of Children Foundation, and the Michael L. King Scholarship Grant Programme which has benefited four persons.

HUMAN RESOURCES

The company continued its commitment to the development and training of staff at all levels to ensure a competitive edge in the marketplace. The Michael L. King Advanced Educational Assistance Programme provided financial assistance to fourteen employees who were pursuing studies overseas and eight who are pursuing studies via distance education programmes.

THE ECONOMY

Our economy continued to feel the effects of the Great Recession which affected all plan tourism related development in the Federation. The closure of the Four Seasons Resort continued to have a dramatic negative impact on the tourism industry and the overall economy. Its impact on the economy of Nevis was particularly acute and all sectors, private and public, have suffered. While therehas been some growth in cruise passengers arrivals, many of the hotels experienced significant reductions in occupancy levels while having to grapple with the escalating costs of operations, maintenance and capital improvements. These are critical times for the small hotel sector. Conditions for their survival are not favourable.

The recent announcement by the government of the planned introduction of the Value Added Tax (VAT), in November of this year, has created considerable concern throughout the country. In respect of its impact on the cost of living and consumer demand. We call on the government to ensure that all sectors of society are properly informed and consulted and that the publics are seriously considered. Finally, we encourage the government to continue its programme of tax reform, including the reduction of corporate income tax in order to stimulate economic activity and promote job creation.

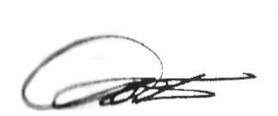
STATUTORY REPORT

The Directors have pleasure in submitting their Report and Audited Accounts for the year ended

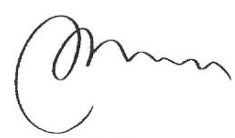
	2010	2009 Restated
Profit for the year, after providing for Taxation	7,649,690	8,753,331
The Board recommends a total Dividend of 6 cents per share free of tax (2009–6 cents per share	(3,120,000)	(3,120,000)
Retained Earnings	$4,529,690	$5,633,331

In accordance with Article 99 of the Articles of Association, Messrs D. Michael Morton, Nicolas Menon, and Ernie France retire and, being eligible, offer themselves for re-election.

In closing, the Board expresses its appreciation for the patronage and loyalty of all of our customers and clients during the year. We also take this opportunity to recognize the solid support of our shareholders and the dedication, commitment and hard work of all our managers and staff as we continue to promote our motto: TDC for Service • TDC for Quality • TDC your Company

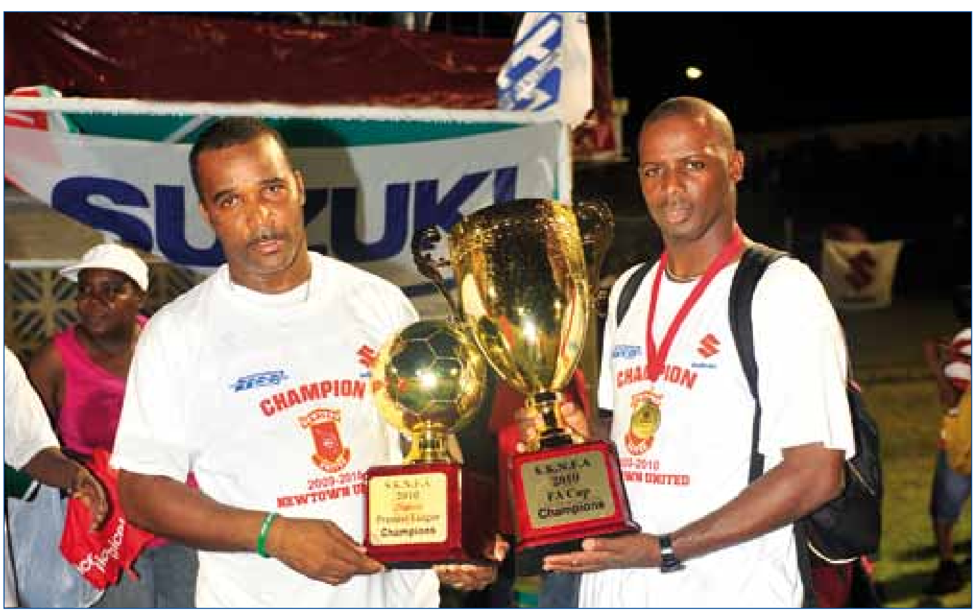


D. Michael Morton
Chairman



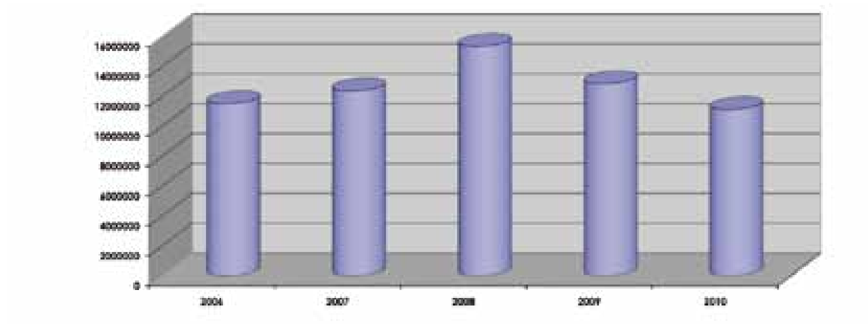
Earle A. Kelly
Director

TDC Suzuki Newtown United FA Cup Champions 2009-2010

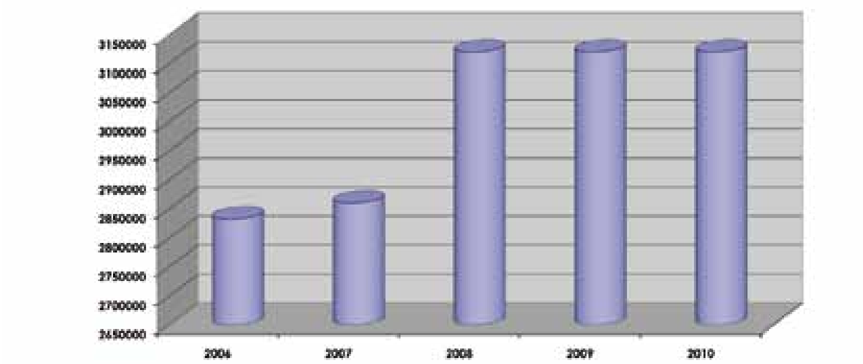


Financial Information

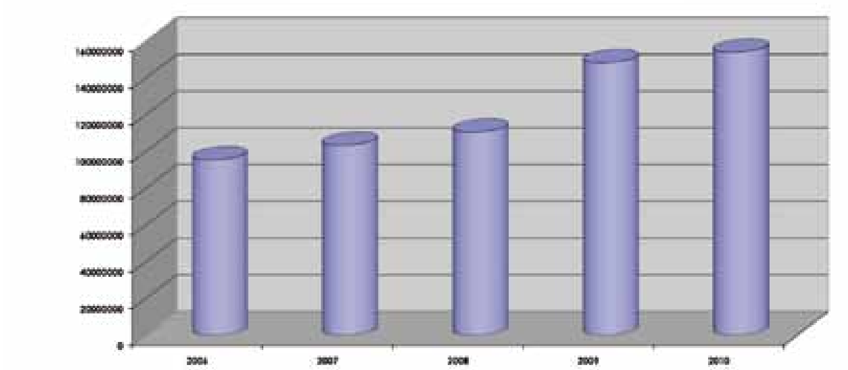
Pre-Tax Profit



Dividends



Shareholders' Funds



TDC Farmers Agricultural and Informational Seminar

Report of the Auditors

TO THE SHAREHOLDERS

ST KITTS-NEVIS-ANGUILLA TRADING AND DEVELOPMENT COMPANY LIMITED

We have audited the accompanying consolidated financial statements of **St Kitts-Nevis-Anguilla Trading and Development Compa**ny Limited and its Subsidiaries ('the Group') which comprise the Consolidated Statement of Financial Position as at 31 January 2010, and the Consolidated Income Statement, Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement 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.

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

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

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Group as of 31 January 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
12 May 2010

Consolidated Statement of Income

For the year 31 January 2010 (Expressed in Eastern Caribbean Dollars)

		Notes	December 31 2010	2009 (Restated)
TURNOVER		2(p)	175,732,130	212,194,932
Cost of Sales and Related Costs			(128,985,108)	(158,251,616)
Gross Profit			46,747,022	53,943,316
Other Operating Income			9,438,774	9,706,424
Operating Costs			(14,129,662)	(16,815,124)
Distribution Costs			(3,167,860)	(4,358,164)
Administrative Costs			(22,177,757)	(24,068,746)
Finance Costs			(5,107,880)	(5,192,930)
Other Expenses			(2,709,323)	(2,526,498)
Share of Results of Associated Companies			2,239,538	2,175,183
INCOME BEFORE TAXATION			11,132,852	12,863,461
Income Tax Expense:		14		
Provision for Taxation	- Parent and Subsidiary Companies		(3,487,497)	(4,092,941)
	- Associated Companies		(594,667)	(582,793)
			(4,082,164)	(4,675,734)
Deferred Taxation (Notes 2(o), 13 & 14)			599,002	565,604
			(3,483,162)	(4,110,130)
INCOME FOR THE YEAR			$7,649,690	$8,753,331
Attributable to:				
Equity holders of the Parent			7,574,344	8,651,306
Minority Interest			75,346	102,025
			$7,649,690	$8,753,331
Basic Earnings per Share		15 & 22	$0.15	$0.17

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

Consolidated Statement of Comprehensive Income

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

		2010	2009
			(Restated)
Income for the Year		7,649,690	8,753,331
Other Comprehensive Income:			
Revaluation Reserve 2009	38,881,021		
Less: Related deferred tax – 2009 (reclassified) (Note 22)	(4,995,432)		
		-	33,885,589
Unrealised Holding (Loss)/Gain		(457,108)	517,264
Other		(127,178)	(230,367)
Bonus Shares Received (Note 4)		833,333	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$7,898,737	$42,925,817

Consolidated Statement of Financial Position

As at 31 January 2010 (Expressed in Eastern Caribbean Dollars)

	Notes	2010	2009 (Restated)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3 & 10	126,285,461	127,345,836
Investments	4	48,031,521	45,348,024
Accounts Receivable – Non-Current	5	45,364,398	42,889,240
Insurance Statutory Deposit	6	833,524	805,348
Intangibles	7 & 2(x)	1,548,206	1,591,741
		222,063,110	217,980,189
Current Assets			
Cash and Short-term Investments	8	22,198,246	16,712,702
Accounts Receivable - Current	5	26,726,862	29,126,036
Inventories and Goods in transit	2(e)	59,707,402	69,009,367
		108,632,510	114,848,105
TOTAL ASSETS		$330,695,620	$332,828,294

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

Consolidated Statement Of Financial Position Continued

As At 31 January 2010 (Expressed in Eastern Caribbean Dollars)

	Notes	2010	2009 (Restated)
EQUITY AND LIABILITIES			
Equity			
Share Capital	9	52,000,000	52,000,000
Reserves		100,263,769	95,574,528
		152,263,769	147,574,528
Non-controlling interest		1,674,885	1,585,389
Total Equity		153,938,654	149,159,917
Non-current Liabilities			
Bank and Other Loans – Non-current	10	16,909,100	21,751,057
Insurance and Other Funds	11	30,734,525	29,227,358
Accounts Payable – Non-Current	12	769,115	2,050,776
Deferred Tax Liability	13	4,178,753	4,777,755
		52,591,493	57,806,946
Current Liabilities			
Loans and overdrafts		18,345,802	23,676,246
Accounts Payable	12	103,788,791	99,503,237
Provision for Taxation	14	2,030,880	2,681,948
Total Current Liabilities		124,165,473	125,861,431
Total Liabilities		176,756,966	183,668,377
TOTAL EQUITY AND LIABILITIES		$330,695,620	$332,828,294

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

Approved by the Board of Directors on

D M Morton - Chairman

E A Kelly – Finance Director

Consolidated Statement of Changes in Equity

For the year ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

	Share	Unrealised Holding Gain	Capital Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at 31 January 2008							
– As previously reported	26,000,000	1,641,547	2,135,953	78,991,909	108,769,409	1,701,404	110,470,813
- Prior Year Adjustments (Note 16)	-	-	-	(937,823)	(937,823)	(178,890)	(1,116,713)
- As restated	26,000,000	1,641,547	2,135,953	78,054,086	107,831,586	1,522,514	109,354,100
Total Comprehensive Income - Restated	-	556,414	33,655,222	8,651,306	42,862,942	62,875	42,925,817
Bonus Share Issue (Note 9)	26,000,000	-	(26,000,000)	-	-	-	-
Dividend Paid	-	-	-	(3,120,000)	(3,120,000)	-	(3,120,000)
Balance at 31 January 2009 - Restated	$52,000,000	$2,197,961	$9,791,175	$83,585,392	$147,574,528	$1,585,389	$149,159,917
Balance at 31 January 2009 - previously reported	52,000,000	2,197,961	14,786,607	79,290,999	148,275,567	1,585,389	149,860,956
- Prior Year Reclassification (Note 22)	-	-	(4,995,432)	4,995,432	-	-	-
- Prior Year Adjustments (Note 16)	-	-	-	(701,039)	(701,039)	-	(701,039)
-As restated	52,000,000	2,197,961	9,791,175	83,585,392	147,574,528	1,585,389	149,159,917
Total Comprehensive Income	-	(404,591	639,488	7,574,344	7,809,241	89,496	7,898,737
Dividend Paid	-	-	-	(3,120,000)	(3,120,000)	-	(3,120,000)
Balance at 31 January 2010	$52,000,000	$1,793,370	$10,430,663	$88,039,736	$152,263,769	$1,674,885	$153,938,654

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

Consolidated Statement of Cash Flows

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

CASH FLOWS FROM OPERATING ACTIVITIES	2010	2009 (Restated)
Income before Taxation	11,132,852	12,863,461
ADJUSTMENTS TO RECONCILE NET PROFIT TO NET CASH FROM OPERATING ACTIVITIES		
Depreciation	4,777,930	5,890,561
Gain on Disposal of Property, Plant and Equipment	(286,852)	(445,106)
Amortisation of Intangibles	275,607	130,584
Share of results of Associated Companies	(2,239,538)	(2,175,183)
Increase in Employment and Insurance Funds	1,507,165	2,108,280
Minority Interest in earnings of subsidiaries	(75,346)	(102,025)
Realised Gain – revalued land inventory	(49,626)	(55,165)
	15,042,192	18,215,407
Decrease/(Increase) in Inventories	9,301,965	(3,656,819)
Decrease in Accounts Receivable	2,399,174	6,473,181
Increase/(Decrease) in Accounts Payable - Current	4,285,554	(3,751,764)
Taxation Paid	(4,138,568)	(6,483,430)
Net cash inflow from operating activities	26,890,317	10,796,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Property, Plant and Equipment	1,276,329	1,463,391
Purchase of Property, Plant and Equipment	(4,707,027)	(5,730,792)
Purchase of Investments	(1,382,367)	(8,034,076)
Dividends from associated companies	442,414	627,009
Proceeds from Disposal of Investment	200,000	-
Insurance Statutory Deposit	(28,176)	(45,140)
Intangible asset purchased	(232,072)	(72,321)
Loan Receivable	-	2,773,783
Net cash outflow from investing activities	(4,430,899)	(9,018,146)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease)/Increase in non-current payables	(1,281,661)	2,050,776
(Decrease)/Increase in non-current loans and overdrafts	(4,841,957)	7,513,505
Decrease in current loans and overdrafts	(5,330,444)	(3,991,274)
Increase in non-controlling interest	75,346	102,025
Dividends paid to Shareholders	(3,120,000)	(3,120,000)
Increase in non-current receivables	(2,475,158)	(9,181,074)
Net Cash (Outflow)/Inflow from Financing Activities	(16,973,874)	(6,626,042)
Net Increase/(Decrease) in cash and cash equivalents	5,485,544	(4,847,613)
Cash and cash equivalents at beginning of year	16,712,702	21,560,315
Cash and cash equivalents at end of year	$22,198,246	$16,712,702

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

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

1 PRINCIPAL ACTIVITIES

St Kitts Nevis Anguilla Trading and Development Company Limited, incorporated in St Kitts, is the Parent Company of a diversified trading, manufacturing and service group. A list of subsidiary companies and their main activities is given at the end of this report.

The registered office of the company is situated at Fort Street, Basseterre, St Kitts.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

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

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) Revenue Recognition:

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

Sales to third parties:

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

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) **Revenue Recognition:** (cont'd)

Rendering of services:

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

Interest income:

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

Dividend:

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

Premium income:

For general insurance business, premium income is accounted for when invoiced, which corresponds to the date insurance cover becomes effective. Any subsequent revisions are accounted for in the year during which these occur.

Rental income:

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

c) Basis of Consolidation:

The consolidated financial statements comprise the financial statements of St Kitts Nevis-Anguilla Trading and Development Company Limited (the Company) and its controlled subsidiaries, after the elimination of all material inter-company transactions. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities. Subsidiaries are consolidated from the date the Parent Company obtains control until such time as control ceases.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

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

c) **Basis of Consolidation:** (cont'd)

Acquisition of subsidiaries are accounted for using the purchase method of accounting. The cost of acquisition is measured at the fair value of the assets taken up, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where necessary, accounting policies have been changed to ensure consistency with the policies adopted by the group.

d) **Investment in associated companies:**

The Group's investment in the associates, over which the Company has significant influence but not control, is accounted for under the equity method of accounting. It is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in the value. The profit and loss account reflects the share of the results of operations of the associates.

e) Inventories and Goods in Transit:

Inventories and goods in transit are valued at the lower of cost and net realizable value, which have been applied consistently with the previous financial year. The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

f) **Hire Purchase Transactions:**

The gross profit and interest charges relating to hire purchase sales are apportioned over the period in which the instalments are received in the proportion which instalments received bear to the total selling price. Hire purchase stock is valued at hire purchase sale price less deferred gross profit and interest charges and less cash received on account. This value is not greater than cost or net realizable value and has been consistently applied over the years.

g) Policyholders' Funds

St Kitts Nevis Insurance Company Limited (SNIC), a wholly owned subsidiary, is required to set aside and maintain funds for both statutory and actuarial reasons to adequately saf guard the policyholders' interests. These funds are shown separately from the funds attributable to the shareholders and are not available for distribution. An actuary values the long term insurance funds at intervals not exceeding five years.

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

h) **Underwriting Profits:**

Underwriting profits are on general insurance business stated after setting off reinsurance premiums and after making adequate provisions for unearned premiums, outstanding claims and claims equalization reserve.

i) **Provisions for Unearned Premiums:**

Provisions for unearned premiums represent the proportions of the premiums written in the period less reinsurance thereon which relate to periods of insurance subsequent to the end of the reporting period and have been computed on a monthly pro rata fractional basis (the "24th's" method).

j) **Outstanding Claims:**

Outstanding claims comprise the estimated cost of all claims incurred but not settled at the end of the reporting period, less recoveries from re-insurers. Provision is also made for claims incurred but not reported until after the end of the reporting period. Differences between the provisions for outstanding claims and subsequent settlements and revisions are included in the revenue statements in the year the claims are settled.

k) **Claims Equalisation Reserve:**

Claims Equalisation Reserve represents annual transfers from gross premiums on fire, motor and miscellaneous business deemed necessary by the Directors to provide for unforeseen risks and catastrophes, in keeping with standard practice in the insurance industry.

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

The Freehold and Leasehold properties were independently and professionally revalued in January 1995 and in December 2007 at market values prevailing at those dates. Properties acquired after that date are stated at cost. Surpluses on revaluation are taken directly to Capital ReserveProperty, plant and equipment are stated at cost less relatedaccumulated depreciation.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

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

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

Depreciation is provided for at varying annual rates calculated to write off the cost of Property, Plant and Equipment other than Leasehold Properties over their expected useful lives.

n) **Foreign Currencies:**

All amounts are stated in Eastern Caribbean Dollars. Transactions during the year between the Group and its customers and suppliers are converted into local currencies at the rates of exchange ruling at the dates of the transactions. Differences arising therefrom are reflected in the current's year results. Assets and liabilities in foreign currencies are translated into Eastern Caribbean Dollars at the rates of exchange prevailing at the end of the reporting period.

o) **Taxation:**

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

p) **Turnover:**

Turnover principally comprises sales to third parties, commissions and gross general insurance premiums.

q) **Borrowing costs:**

Interest costs on borrowings are recognized as expenses in the period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

r) Trade and Other Payables:

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

s) Provisions:

Provisions are recognized 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.

t) Trade and Other Receivables:

Trade receivables are recognized 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.

u) 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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

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

v) **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 recognized at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. For securities where there is no quoted market price, fair value has been estimated by management at cost less amounts written off.

Investments in companies quoted on the Eastern Caribbean Securities Exchange are carried at fair value based on quoted market prices at the year end. All unrealized 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 recognized in equity is included in the Income Statement.

Held to maturity:

Investments in which management has the intent and ability to hold to the fixed maturity date are classified as held to maturity and included in non current assets and carried at cost.

w) **Cash and cash equivalents:**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and short term investments.

x) **Intangibles:**

Goodwill:

Goodwill is being amortised over a period of 10 years effective from year ended 31 January 2009.

Licences from travel agencies:

The amortisation policy of this intangible asset is yet to be determined by management.

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

x) **Intangibles:** (Cont'd)

Software:

Intangible assets are identifiable non-monetary assets without physical substance. Acquired computer software licences, upgrades to software and related costs that areexpected to contribute to the future economic benefit of the company are capitalized onthe basis of the costs incurred to acquire and bring to use the specific software. These costsare amortised over their estimated useful lives at a rate of 20% per annum.

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

3 **PROPERTY, PLANT AND EQUIPMENT**

	Total	Land and Buildings	General Equipment
Cost or Valuation - At Beginning of year	159,604,339	115,399,578	44,204,761
Additions at Cost	4,707,027	1,210,354	3,496,673
Disposals/Transfers at Cost	(4,312,926)	-	(4,312,926)
Cost or Valuation - At End of year	159,998,440	116,609,932	43,388,508
Depreciation - At Beginning of year	32,258,500	1,461,054	30,797,446
Depreciation Charge in year	4,777,930	1,470,684	3,307,246
Depreciation on Disposals	(3,323,451)	-	(3,323,451)
Depreciation - At End of year	33,712,979	2,931,738	30,781,241
Net Book Value - 31 JANUARY 2010	$126,285,461	$113,678,194	$12,607,267
Net Book Value - 31 JANUARY 2009	$127,345,836	$113,946,025	$13,399,811

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

3 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Revaluation of Freehold and Leasehold Properties:

Revaluation in 1995

The Parent and Subsidiary Companies' Freehold and Leasehold Properties were independently revalued in January 1995 by Cooper Kauffman Limited, Professional Valuers. The surplus arising on this revaluation was credited to Capital Reserves. Subsequent additions have been included at cost.

Revaluation in 2007

In December 2007, the Parent and Subsidiary Companies' freehold and leasehold properties were again independently revalued by Cooper Kauffman Limited, Professional Valuers. The surplus of $38,881,024 arising on this revaluation was credited to Capital Reserve during the year ended 31 January 2009. Subsequent additions have been included at cost.

Two (2) parcels of leasehold land on which there are buildings of two subsidiary companies have been leased from Government for periods of 50 years effective 1982 and 1985 respectively.

4 INVESTMENTS AT COST AND VALUATION

	2010	2009
a) Unconsolidated Subsidiary:		
TDC REAL ESTATE AND CONSTRUCTION (NEVIS) LIMITED		
Deposit on Shares	4,393,653	4,393,653
b) Associated Companies:		
ST KITTS MASONRY PRODUCTS LIMITED		
6,500 Ordinary Shares of $100 each - At Valuation	3,496,774	3,113,052
ST KITTS BOTTLING COMPANY LIMITED		
97,663 (2009 = 91,269) Ordinary Shares of $5 each - At Valuation	2,171,477	1,837,915
MALLIOUHANA - ANICO INSURANCE CO LTD		
131,375 (2009 = 81,375) Shares of $10 each - At Valuation	4,041,684	3,503,625
Sub-total	9,709,935	8,454,592

4 **INVESTMENTS AT COST AND VALUATION** (cont'd)

c) **Available-for-Sale Investments:**

ST KITTS NEVIS ANGUILLA NATIONAL BANK LTD		
833,333 (2009 = 500,000) Ordinary Shares of $1 each - Quoted	2,074,999	1,375,000
CARIB BREWERY (ST KITTS & NEVIS) LTD		
333,000 Ordinary Shares of $1 each - At Cost	516,151	516,151
THE BANK OF NEVIS LIMITED		
37,490 Ordinary Shares of $1 each – Quoted	224,940	228,689
THE CABLE BAY HOTEL DEVELOPMENT CO LTD		
5,523 Ordinary Shares of US $100 each - At Cost	1,491,210	1,491,210
Deposit on Shares (See Note 17(d))	137,053	137,053
CABLE AND WIRELESS ST KITTS-NEVIS LTD		
151,200 Shares of $1 each – Quoted	907,200	1,020,600
EASTERN CARIBBEAN HOME MORTGAGE BANK		
3,626 (2009 = 1,564) Class D Shares of $100 each - At Cost	517,907	187,907
TRU SERV CORPORATION		
332 Units of Common Stock at US $100 each - At Valuation28,401	25,777	
FORTRESS CARIBBEAN PROPERTY FUND LTD		
400,000 Ordinary Shares of Bds $1.50 each – Quoted	675,000	810,000
BANKS BARBADOS BREWERIES LTD		
3,300 Ordinary Shares of Bds $1 each - At Cost	501	501
NATIONAL BANK OF ANGUILLA LIMITED		
5,000 Shares of no par value - At Cost	202,500	202,500
Fixed Deposits (medium term	3,947,248	3,754,077
CARIBBEAN COMMERCIAL BANK (ANGUILLA) LTD		
Fixed Deposits (medium term)	2,184,506	2,031,920
EASTERN CARIBBEAN SECURITIES EXCHANGE		
10,000 Class D Shares of $10 each fully paid - At Cost	100,000	100,000
Sub-Total Carried Forward	13,007,616	11,881,385

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

4 **INVESTMENTS AT COST AND VALUATION** (cont'd)

c) **Available-for-Sale Investments:** (cont'd)

Sub-Total Brought Forward	13,007,616	11,881,385
FEDERATION MEDIA GROUP - Fully paid up 1,000 Ordinary Shares of $100 each - At Cost	100,000	100,000
FIRST CARIBBEAN INTERNATIONAL BANK LTD 100,000 Shares of no par value – Quoted	371,250	445,500
CARIBBEAN SHOE MANUFACTURERS LTD (inactive) 175 Ordinary Shares of $1,000 each	1	1
CARIBBEAN INVESTMENTS CORPORATION 40 Ordinary Shares of $100 each (In Liquidation)	1	1
WIRELESS VENTURES (ST KITTS –NEVIS) LIMITED 669 Shares @ US $1,000 each – At Cost	2,616,160	2,616,160
PORT SERVICES LIMITED 50,000 Ordinary Shares of $1 each – At Cost	50,000	50,000
	16,145,028	15,093,047

d) **Held to Maturity:**

10 Year Bonds Maturing between 1 to 5 years:

Eastern Caribbean Home Mortgage Bank

11th Issue (6% Interest Rate per annum)	300,000	300,000
13th Issue (5% Interest Rate per annum)	450,000	450,000
16th Issue (6% Interest Rate per annum)	-	8,150,000
17th Issue (6% Interest Rate per annum)	700,000	700,000
18th Issue (6% Interest Rate per annum)	500,000	-
19th Issue (6% Interest Rate per annum)	8,150,000	-
	10,100,000	9,600,000

4 **INVESTMENTS AT COST AND VALUATION** (cont'd)

d) Held to Maturity: (cont'd)

Sub-Total Brought Forward	10,100,000	9,600,000
Government of St Kitts-Nevis (7% Interest Rate per annum)	2,000,000	2,000,000
Government of Antigua (8% Interest Rate per annum)	1,000,000	1,000,000
Fixed Deposit – Bank of Nova Scotia	-	200,000
	13,100,000	12,800,000
10 Year Bonds maturing after 5 years:		
Government of St Lucia (5% Interest Rate per annum)	4,282,905	4,156,732
Property Holding and Development Company Limited (PRODEV) 8% Fixed Rate Bond	400,000	450,000
Sub-total	17,782,905	17,406,732
TOTAL INVESTMENTS	$48,031,521	$45,348,024

Associated Companies:

Investments in Associated Companies are accounted for on the equity basis as represented in the latest Financial Statements, which for one Company was for the year ended 31 December 2009.

Mallouhana Anico Insurance Company Limited

During the year under review, Mallouhana Anico Insurance Company Limited made a bonus share issue of .6144 shares for every share held.

Other Investments:

The investments in Caribbean Investments Corporation and Caribbean Shoe Manufacturers Limited have been written down to a nominal value of $1 each since no further material return is anticipated.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

4 **INVESTMENTS AT COST AND VALUATION** (cont'd)

Quoted Investments:

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

Bonus Shares Received:

SKNA National Bank Limited:

During the year under review, SKNA National Bank Limited made a bonus share issue of two shares for every three held - 333,333 Shares @ $2.50 = $833,333.

In the opinion of the Directors the aggregate value of investments is not less than the book value.

5 **ACCOUNTS RECEIVABLE**

	2010	2009
Trade Accounts Receivable and Loans - Current	23,071,072	25,468,267
Amount due by Associated Companies	1,516,036	1,201,874
Other Receivables and Prepayments	2,139,754	2,455,895
TOTAL - Current	$26,726,862	$29,126,036
Accounts Receivable – Non Current	$45,364,398	$42,889,240

6 **INSURANCE STATUTORY DEPOSIT**

In accordance with the Insurance (Amendment) Act Section 17(b), all registered Insurance Companies are required to maintain a Statutory Deposit with the Accountant General. The amount of $805,348 (2009 = $676,282) was therefore deposited by St Kitts Nevis Insurance Company Limited in compliance with this legislation requirement. An additional amount of $28,176 has been accrued for the year ended 31 January 2010 (2009 = $129,066).

		2010	2009
7	**INTANGIBLES - $1,548,206 (2009 = $1,591,741)**		
	Goodwill – City Drug Store (2005) Limited (see Note (i) below)	1,250,000	1,250,000
	Less: Amortisation	(250,000)	(125,000)
		1,000,000	1,125,000
	Licence from Travel Agency (See Note (ii) below)	400,000	400,000
	Software:		
	Brought Forward/Reclassification of software from plant and equipment (see note 2 (x))	248,338	176,017
	Additions	232,072	72,321
		480,410	248,338
	Less: Amortisation		
	- Accumulated Amortisation Brought Forward/ Reclassification	181,597	176,013
	- Amortisation for Current Period	150,607	5,584
		332,204	181,597
		148,206	66,741
	TOTAL	$1,548,206	$1,591,741

Intangibles represent:

i) Goodwill of $1,250,000 represents the excess of the cost of acquisition over the net tangible assets acquired on the purchase of The City Drug Store Limited on 1 May 2005. Effective year ended 31 January 2009, goodwill is being amortised over 10 years.

ii) Purchase of licences from a travel agency in the amount of $400,000. Amortisation policy of this intangible asset has not yet been determined by management.

In the opinion of the Directors, the fair value of these intangibles is not less than the written down value.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

8 CASH AND SHORT TERM INVESTMENTS

Included in cash and short term investments is an amount of $11,218,445 (2009 = $10,718,625 which represents Government of St Kitts and Nevis and Nevis Island Administration Treasury Bills stated at cost [Face Value $11,431,680 (2009 = $10,900,000)] maturing on a quarterly basis. Interest is earned at the rate of 6% per annum free of tax.

9 SHARE CAPITAL

	2010	2009
Authorised		
500,000,000 Ordinary Shares of $1 each	$500,000,00	$500,000,000
Issued and Allotted		
52,000,000 Ordinary Shares of $1 each	$52,000,000	$52,000,000

At the Annual General Meeting held on 24 June 2008, the following resolution was passed:

"Be it resolved that the sum of $26,000,000 being part of the amount standing to the credit of the reserves of the Company be capitalized and that the same be applied in making payment in full at stated value for 26,000,000 shares of $1.00 each in the Capital of the Company such shares to be distributed as fully paid among the persons who were registered as holders of the ordinary shares of the Company in the capital of the Company on the 24th day of June 2008 at the rate of one fully paid share for every one ordinary share of $1.00 each of the Company held by such holders respectively such fully paid shares to rank for dividend as from the 1st day of August 2008".

Dividends:

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

		2010	2009
10	**LOANS AND BANK OVERDRAFTS**	2010	2009
	Overdrafts	14,813,193	19,466,681
	Loans - Current portion	3,532,609	4,209,565
	OVERDRAFTS/LOANS-CURRENT	$18,345,802	$23,676,246
	Bank and Other Loans	20,441,709	25,960,622
	Less Current Portion	(3,532,609)	(4,209,565)
	LOANS - NON-CURRENT	$16,909,100	$21,751,057
	Non-current Loans:		
	Amounts Payable:		
	Within 2 to 5 years	14,008,464	15,274,370
	After 5 years	2,900,636	6,476,687
	TOTAL	$16,909,100	$21,751,057

Secured loans are repayable over periods varying from one (1) to ten (10) years at rates of interest varying from LIBOR plus 1.5% to 10%.

Collateral:

The Group's bankers hold debentures creating fixed and floating charges and an equitable mortgage on the Group's assets, including capital of the Parent Company and certain subsidiaries amounting to approximately $61,877,000 (2009 = $61,877,000).

		2010	2009
11	**INSURANCE AND OTHER FUNDS**	2010	2009
	Insurance Funds	24,312,937	23,568,630
	Employee Benefit Funds	3,308,569	2,786,259
	Policyholders' Funds	3,113,019	2,872,469
	TOTAL	$30,734,525	$29,227,358

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

12	**ACCOUNTS PAYABLE**	2010	2009 (Restated)
	Customer Deposits	51,260,833	47,502,256
	Trade Accounts Payable	17,257,973	14,427,874
	Amount due to Associated Companies	875,383	963,791
	Sundry Accounts Payable and Accrued Charges	34,394,602	36,609,316
	TOTAL - Current	$103,788,791	$99,503,237
	ACCOUNTS PAYABLE – Non-Current	$769,115	$2,050,776

13	**DEFERRED TAX LIABILITY**	2010	2009 (Restated)
	Deferred Tax Liability – brought forward	4,777,755	347,927
	Deferred Tax Credit (Note 14)	(599,002)	(565,604)
	Deferred Tax Charge – Revaluation	-	4,995,432
	Deferred Tax Liability – carried forward	$4,178,753	$4,777,755
	Deferred Tax Liability (net) comprises:		
	Deferred Tax Asset	(3,919,603)	(3,127,329)
	Deferred Tax Liability	8,098,356	7,905,084
		$4,178,753	$4,777,755
	Deferred Tax Asset comprises:		
	Unutilised Capital Allowances	3,191,595	2,476,740
	Unutilised Tax Losses	541,166	317,794
	Accelerated Depreciation	186,842	332,795
		$3,919,603	$3,127,329
	Deferred Tax Liability comprises:		
	Accelerated Capital Allowances	$8,098,356	$7,905,084

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

14	**PROVISION FOR TAXATION**	2010	2009 (Restated)
	Provision for Taxation		
	- Current Period	2,163,277	1,883,384
	- Previous Years	(132,397)	798,564
	TOTAL	$2,030,880	$2,681,948
	The Charge in the Income Statement comprises the following:		
	Provision for Taxation	3,800,038	4,111,519
	Overprovision – previous year	(312,541)	(18,578)
	Deferred Tax (Note 13)	(599,002)	(565,604)
		2,888,495	3,527,337
	Associated Companies	594,667	582,793
	TOTAL	$3,483,162	$4,110,130
	The Group's effective tax rate of 31.3% (2009 = 32.0%) differs from the Statutory rate as follows:		
	Profit before Taxation	$11,132,852	$12,863,461
	Tax at statutory rate of 35%	3,896,498	4,502,211
	Tax effect of expenses not deductible in determining taxable profits	1,238,768	748,527
	Tax effect of income not assessable for taxation	(1,523,100)	(1,266,045)
	Overprovisions – previous years	(312,541)	-
	Tax effect of depreciation on non-qualifying assets	165,296	167,531
	Other	18,241	(42,094)
		$3,483,162	$4,110,130

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

15 EARNINGS PER ORDINARY SHARE

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

	2010	2009 (Restated)
Net Income for the year	$7,898,737	$8,753,331
Number of ordinary shares in issue	52,000,000	52,000,000
Basic earnings per share	$0.15	$0.17

16 PRIOR YEAR ADJUSTMENTS

	2010	2009
Prior year adjustments comprise the following:		
Cancellation of Sale of villas	(701,039)	-
Deferred Tax	-	(347,927)
Insurance Claims Written back (Net of Taxation)	-	104,226
Reversal of Premium (Net of Taxation)	-	21,438
Taxation Underprovision	-	(894,450)
TOTAL	$(701,039)	$(1,116,713)

17 CONTINGENT LIABILITIES AND COMMITMENTS

a) The Company is committed for calls on the unpaid portion of shares in its wholly owned subsidiary, TDC Tours Limited, in the amount of $70,000 (2009 = $70,000);

b) At 31 January 2010, the Parent Company guaranteed bank loans and overdrafts on behalf of subsidiary companies totaling $4,600,000 (2009 = $4,600,000);

c) At 31 January 2010, commitments in respect of open Letters of Credit established in the normal course of business amounted to $3,456,000 (2009 = $1,438,452);

d) The Company is committed to the investment in Cable Bay Hotel Development project for an additional amount of $5,480,102 (2009 = $5,480,102).

e) Pending Litigation

A claim for personal injury has been made against a subsidiary in the approximate amount of EC$500,000. The company admits liability but not the quantum of the claim. Negotiations are in process to settle the claim. No provision has been made in these financial statements for this contingent liability.

18 TDC REAL ESTATE AND CONSTRUCTION LIMITED

Construction on nineteen (19) of the forty-one (41) villas at Sunrise Hill - Frigate Bay, St Kitts was completed. Another four (4) villas were under construction at year's end. The project is expected to be completed by July 2015.

It is estimated to cost EC $72 million of which $28,311,902 was expended at end of the year. The Company has been granted a five year tax holiday in respect of this development.

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

19 FINANCIAL INFORMATION BY SEGMENT

	REVENUE		PRE-TAX PROFIT	
SEGMENT	2010	2009	2010	2009
General Merchants and Shipping	140,222,446	168,446,495	4,230,763	7,031,937
Insurance and Finance	14,265,532	14,658,318	6,127,396	4,641,156
Rentals, Airline Agencies and Hotel	16,011,756	19,817,607	1,314,308	985,126
Real Estate	5,232,396	9,272,512	(539,615)	205,242
	$175,732,130	$212,194,932	$11,132,852	$12,863,461

	ASSETS		LIABILITIES	
SEGMENT	2010	2009 (Restated)	2010	2009 (Restated)
General Merchants and Shipping	170,334,692	185,678,244	75,912,744	83,238,063
Insurance and Finance	104,533,725	89,994,506	89,261,830	86,071,858
Rentals, Airline Agencies and Hotel	41,495,039	42,251,012	4,369,864	7,172,985
Real Estate	14,332,164	14,904,532	7,212,528	7,185,471
	$330,695,620	$332,828,294	$176,756,966	$183,668,377

	ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		DEPRECIATION	
SEGMENT	2010	2009	2010	2009
General Merchants and Shipping	1,579,586	4,073,736	2,846,343	3,162,050
Insurance and Finance	274,954	448,563	144,577	166,875
Rentals, Airline Agencies and Hote	917,898	474,356	148,603	138,490
	$4,707,027	$5,730,792	$4,777,930	$5,890,56

20 FINANCIAL INSTRUMENTS

a) Interest Rate Risk

Interest rates and terms of borrowing are disclosed in Note 10.

b) Credit Risk

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

c) Fair Values

The carrying amounts of the following financial assets and liabilities approximate their fair value: cash and bank balances, short-term deposits, accounts receivable, 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 and United States Dollars. Therefore, the Group has no significant exposure to currency risk.

e) Liquidity Risk:

In order to manage liquidity risk, management seeks to maintain sufficient levels of cash and cash equivalent 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 31 January 2010 (Expressed in Eastern Caribbean Dollars)

20 **FINANCIAL INSTRUMENTS (cont'd)**

e) Liquidity Risk: (cont'd)

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

Financial Liabilities:

Year Ended 31 January 2010:

	Due within 1 Year>	1 Yr to 5 Yrs	5 Years	Total
Overdrafts	14,813,193	-	-	14,813,193
Loans	3,532,609	14,008,464	2,900,636	20,441,709
Trade Payables	68,625,074	769,115	-	69,394,189
Other Payables	34,394,602	-	-	34,394,602
	$121,365,478	$14,777,57	$2,900,636	$139,043,693

Year Ended 31 January 2009:

	Due within 1 Year>	1 Yr to 5 Yrs	5 Years	Total
Overdrafts	19,466,681	-	-	19,466,681
Loans	4,209,565	5,274,370	6,476,687	25,960,622
Trade Payables	57,790,923	2,050,776	-	59,841,699
Other Payables	36,609,316	-	-	36,609,316
	$118,076,485	$17,325,146	$6,476,687	$141,878,318

20 **FINANCIAL INSTRUMENTS** (cont'd)

e) Liquidity Risk: (cont'd)

Financial Assets:

Year Ended 31 January 2010:

	Due within 1 Year	>1 Yr to 5 Yrs	>5 Years	Total
Cash and Short term Investments	22,198,246	-	-	22,198,246
Trade Receivables and Loans	24,587,108	24,118,018	21,246,380	69,951,506
Other Receivables	2,139,754	-	-	2,139,754
Investments	-	13,100,000	34,931,521	48,031,521
	$48,925,108	$37,218,018	$56,177,901	$142,321,027

Year Ended 31 January 2009:

	Due within 1 Year	>1 Yr to 5 Yrs	>5 Years	Total
Cash and Short term Investments	16,712,702	-	-	16,712,702
Trade Receivables and Loans	26,670,141	23,705,560	19,183,680	69,559,381
Other Receivables	2,455,895	-	-	2,455,895
Investments	-	9,800,000	35,548,024	45,348,024
	$45,838,738	$33,505,560	$54,731,704	$134,076,002

Notes to the Consolidated Financial Statements

For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

21 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following transactions were carried out with associated companies during the period:

	2010 $	2009 $
Sales of goods and services	16,677,530	17,296,668
Purchases of goods and services	4,041,740	3,347,955
Dividends received	112,860	627,009
Management and Administrative Fees	442,414	135,600

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

	2010	2009
Short-term employee benefits and retirement contributions	$2,601,722	$2,825,264

SKNA TDC Limited manages the TDC Pension Savings Plan for employees of the TDC Group of Companies. There is no liability for any shortfall in the Plan. At the end of the period, the SKNA TDC Limited was indebted to the TDC Pension Savings Plan in the amount of $3,808,660 (2009 = $2,956,050). Interest is being charged at the rate of 6% per annum.

22 RECLASSIFICATIONS

During the year under review, Accounts Payable balance has been reclassified to reflect current and non current payables. The previous year's figures have been reclassified to be consistent with this year's presentation.

Additionally, the related deferred tax on the revaluation reserve created in 2009 has been reclassified from revenue reserve to capital reserves to comply with International Accounting Standard No. 1.

These reclassifications have no effect on the financial position as reported for the current and previous years.

23 SUBSEQUENT EVENT

No event has occurred or is pending or in prospect subsequent to the end of the reporting period that would require adjustment to, or disclosure in these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
For the Year Ended 31 January 2010 (Expressed in Eastern Caribbean Dollars)

TDC GROUP OF COMPANIES – SUBSIDIARY COMPANIES

(Wholly-owned and resident in St Kitts-Nevis except where otherwise stated)

GENERAL TRADING
TDC Nevis Limited
City Drug Store (2005) Limited

RENTAL AND HIRE PURCHASE:
TDC Rentals Limited
TDC Rentals (Nevis) Limited

INSURANCE AND REINSURERS:
St Kitts Nevis Insurance Co Ltd (SNIC)
SNIC (Nevis) Limited
East Caribbean Reinsurance Co Ltd - (80%) - Anguilla

FINANCE:
St Kitts Nevis Finance Co Ltd (FINCO)
Mercator Caribbean Trust Company Ltd - (51%)

AIRLINE AGENTS AND TOUR OPERATORS:
TDC Airline Services Ltd
TDC Airline Services (Nevis) Limited
TDC Tours Limited

REAL ESTATE DEVELOPMENT:
TDC Real Estate and Construction Ltd
Conaree Estates Limited
Dan Dan Garments Limited

HOTEL OPERATOR:
Ocean Terrace Inn Limited
OTI Pieces of Eight Limited
Pelican Cove Marina Limited

SHIPPING SERVICES:
Sakara Shipping NV - Tortola, BVI

ASSOCIATED COMPANIES:
(Holding between 20% and 50%)
BLOCK MANUFACTURING AND READY MIX CONCRETE
St Kitts Masonry Products Ltd - 50%

MANUFACTURERS OF AERATED BEVERAGES
St Kitts Bottling Co Ltd}
Antillean Beverages Ltd} 48.83% }

INSURERS:
Malliouhana Anico Insurance Co Ltd
- 25% (Anguilla)

HOTEL DEVELOPMENT
Cable Bay Hotel Development Co Ltd –18%

Our Partners

TOYOTA

SUZUKI

YAMAHA

GOODYEAR

Canon

lenovo

DUPONT

LG Life's Good

Pitney Bowes

Whirlpool

HSBC The world's local bank

HARRIS

BERGER PAINTS

Digicel

Do it Best

Mercedes-Benz

BRITISH AIRWAYS

Sagicor Wise Financial Thinking for Life

WESTERN UNION FAST, RELIABLE, WORLDWIDE MONEY TRANSFER

Coca-Cola

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Thrifty Car Rental

TDC

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