



CAVE SHEPHERD & CO. LIMITED

Consolidated Balance Sheet

As at March 31, 2011

(With comparatives as at December 31, 2010 and March 31, 2010)

	(Unaudited) March 31, 2011 \$	(Audited) December 31, 2010 \$	(Unaudited) March 31, 2010 \$
Current Assets			
Cash and cash equivalents	15,268,787	19,168,223	12,641,462
Financial assets held for trading	26,644,093	22,305,382	18,259,220
Trade and other receivables and prepayments	15,394,525	17,191,255	15,155,247
Inventories	4,153,988	4,098,214	3,872,888
Other current assets	4,307,363	4,389,513	10,378,515
	<u>65,768,756</u>	<u>67,152,587</u>	<u>60,307,332</u>
Current Liabilities			
Trade and other payables	4,374,412	4,003,914	3,077,880
Other current liabilities	4,620,093	6,645,437	3,632,115
	<u>8,994,505</u>	<u>10,649,351</u>	<u>6,709,995</u>
Working Capital	<u>56,774,251</u>	<u>56,503,236</u>	<u>53,597,337</u>
Investment in Associates and at Fair Value through Profit and Loss	<u>69,534,864</u>	<u>67,928,896</u>	<u>74,565,240</u>
Intangible Assets and Goodwill	<u>6,051,533</u>	<u>6,262,633</u>	<u>10,592,564</u>
Investment Property	<u>2,560,000</u>	<u>2,560,000</u>	<u>2,560,000</u>
Property, Plant and Equipment	<u>1,157,467</u>	<u>1,285,561</u>	<u>1,832,702</u>
Loan due by associate	<u>8,560,000</u>	<u>8,560,000</u>	<u>8,800,000</u>
Other Long Term Assets	<u>903,242</u>	<u>903,242</u>	<u>627,649</u>
Fixed Income Certificates Payable and Other Long Term Liabilities	<u>(27,537,461)</u>	<u>(25,179,266)</u>	<u>(25,093,653)</u>
	<u>118,003,896</u>	<u>118,824,302</u>	<u>127,481,839</u>
Capital and Reserves attributable to the equity holders of the company			
Share capital	39,113,043	39,113,043	39,584,581
Retained earnings	75,986,619	74,626,932	82,560,565
	<u>115,099,662</u>	<u>113,739,975</u>	<u>122,145,146</u>
Non-controlling interest	<u>2,904,234</u>	<u>5,084,327</u>	<u>5,336,693</u>
	<u>118,003,896</u>	<u>118,824,302</u>	<u>127,481,839</u>

CAVE SHEPHERD & CO. LIMITED

Consolidated Statement of Income

For the Quarter Ended March 31, 2011

(With comparatives for the quarter ended March 31, 2010)

	(Unaudited) March 31, 2011 \$	(Unaudited) March 31, 2010 \$
Income		
Revenue from operations	4,318,541	4,309,027
Other gains	-	48,141
Total Income	<u>4,318,541</u>	<u>4,357,168</u>
Expenses		
Other operating expenses	3,881,902	3,929,430
Depreciation, amortisation and	347,359	944,439
	<u>4,229,261</u>	<u>4,873,869</u>
Net Operating Profit / (Loss)	<u>89,280</u>	<u>(516,701)</u>
Share of Results of Associates	1,726,628	2,119,911
Income Before Taxation	<u>1,815,908</u>	<u>1,603,210</u>
Corporation Tax	(236,314)	(244,009)
Net Income for the Period	<u>1,579,594</u>	<u>1,359,201</u>
Attributable to:		
Equity holders of the company	1,359,687	1,181,346
Non-controlling interest	219,907	177,855
	<u>1,579,594</u>	<u>1,359,201</u>
Earnings per share (EPS) – basic and fully diluted	<u>\$0.07</u>	<u>\$0.06</u>

The Group recorded a profit attributable to equity holders of \$1.36 million for the first quarter of 2011 compared to a profit of \$1.18 million for the same period last year. This represents earnings per share (EPS) of \$0.07 compared to \$0.06 for the first quarter of 2010.

Our retail associates, Duty Free Caribbean (Holdings) Group and GCS (Ganzee) showed improvement in sales in the first quarter. We have seen an increase in visitor spending in most of the islands where we operate, however our local sales continue to be affected by the depressed economic climate.

The results for this period were adversely affected by the decline of \$0.7 million in the stock market value of our investment in Almond Resorts Inc. In the same period last year, we expensed a partial impairment of goodwill of \$0.5 million relating to our Colombian Emeralds operations in Tortola.

Our Share of Results of Associates reflects a profit of \$1.7 million compared to a prior period profit of \$2.1 million. It should be noted that the prior year included a one-off gain of \$0.6 million relating to the Colombian Emeralds International brand.

Our financial services businesses, Fortress Fund Managers, Signia Financial and DGM Bank & Trust, continue to perform to expectations with all companies showing satisfactory results for the period.

Although the Caribbean region continues to feel the effects of the economic recession, the underlying trading results of the first quarter are encouraging and barring any unforeseen events we expect this trend to continue for the remainder of the year.

Geoffrey Cave
Chairman

John M. B. Williams
Chief Executive Officer

May 20, 2011