

# Cave Shepherd & Co

CAVE SHEPHERD AND COMPANY LIMITED  
ANNUAL GENERAL MEETING  
TUESDAY MAY 11TH 2021

## 1970



## 2020

CELEBRATING 50 YEARS  
AS A PUBLIC COMPANY



# ANNUAL REPORT & FINANCIAL STATEMENTS

(Available Online)

Dear Cave Shepherd Shareholder,

Please find herewith the Notice of the Annual General Meeting, Directors' Report, Financial Highlights, Management Proxy Circular and Proxy Form. The full 2020 Annual Report together with our latest periodic financial statements and other shareholder information can be found on our website <http://www.caveshepherd.com/Investors/>.


We appreciate that some Shareholders may still prefer to receive a printed copy of the Annual Report. Therefore, you may request a hard copy at any time, by contacting our offices at **+1 246 539 4268** or by emailing [financials@caveshepherd.com](mailto:financials@caveshepherd.com) and we will be happy to print a copy in-house at no additional cost.

Shareholders may wish to consider signing up for electronic delivery - in which case you will receive an email alert and link to the electronic annual report. Please do so by emailing [financials@caveshepherd.com](mailto:financials@caveshepherd.com).

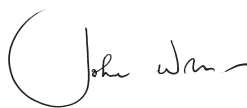
We look forward to your participation at the [Annual General Meeting on May 11th 2021 which will be held in a virtual format](#) this year. Kindly refer to the **NOTES FOR THE ANNUAL GENERAL MEETING** which outlines important details for participation in the 2021 AGM.

We wish to thank you for your continued support.

Sincerely,



Sir Geoffrey Cave, K.A.  
Chairman



Mr. John M. B. Williams  
Chief Executive Officer

March 19th 2021

# NOTICE OF THE ANNUAL GENERAL MEETING

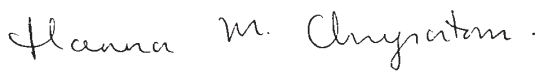
Notice is hereby given that the **FIFTIETH ANNUAL GENERAL MEETING** of the Shareholders of CAVE SHEPHERD & CO. LIMITED will be on **Tuesday May 11th 2021 at 3:00 p.m.** in a **virtual format** whereby Shareholders may participate electronically in the Meeting for the following purposes:

1. To consider and if thought fit confirm the amendments to By-Law No. 1 of the Company set out in "Appendix 1" accompanying the Notice of Meeting, effected by resolution of the Board of Directors on March 19th, 2021.
2. To receive and consider the Audited Consolidated Financial Statements for the year ended December 31st 2020, together with the Reports of the Directors and Auditors thereon.
3. To elect Directors:
  - (i) the following Directors retire by rotation in accordance with paragraphs 3.9 and 3.10 of the revised by-laws and being eligible, offer themselves for re-election for the term stated:
 

Mr. Roger M. Cave	3 Years
Mr. Robert M. Harvey-Read	3 Years
Mr. John M.B. Williams	3 Years
  - (ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised by-laws and being eligible, offers himself for re-election for the term stated:
 

Sir Geoffrey Cave, K.A.	1 Year
-------------------------	--------
4. To appoint Auditors for the ensuing year and for Directors to fix their remuneration.
5. To discuss any other business of the Company which may properly be considered at the Annual General Meeting.

By order of the Board of Directors



Hanna M. Chrysostom  
Group Corporate Secretary

*\*The full text of the resolution to be submitted at the Meeting and referred to in item 1 above is attached to the Notice as Appendix 1.*

## **PROXIES:**

Shareholders who are unable to participate virtually at the Meeting may complete and return the enclosed form of proxy at least 48 hours before the appointed time of the meeting, or adjourned Meeting, to any of the addresses noted below.

## **DELIVERY OF PROXIES:**

- Mail: Group Corporate Secretary, Cave Shepherd & Co. Limited, 1st Floor, 24 Broad Street, Bridgetown, St. Michael, Barbados
- Email: [corporatesecretary@caveshepherd.com](mailto:corporatesecretary@caveshepherd.com)

Shareholders who return completed proxies are not precluded from participating virtually at the Meeting instead of their Proxies and voting via that medium if subsequently they so wish.

# NOTES FOR THE ANNUAL GENERAL MEETING

(Virtual Format)

Due to the ongoing COVID-19 pandemic and the enactment of the Emergency Management (Covid-19) (Curfew) (No. 6) Directive, 2021 on March 13th 2021, the 2021 Annual General Meeting ("AGM") will be held **virtually**. Shareholders on record as at April 06th 2021 and duly appointed proxy holders may participate virtually using a computer or other device connected to the internet.

All Shareholders on the Record Date who wish to attend the AGM virtually, **must** register to participate by contacting us by email at [corporatesecretary@caveshepherd.com](mailto:corporatesecretary@caveshepherd.com) or telephone **+1 246 539 4268**. Shareholders must register by close of business on May 06th 2021.

**Registered Shareholders will receive an email with a username and password that will enable access to the AGM.**

We recommend the use of a high-speed internet connection and a fully charged mobile device. If on a wi-fi network, limit the amount of video streaming from other devices.

The Company is **not** responsible for the reliability of Shareholders' devices or internet connection speed.

## ELECTRONIC VOTING

**Voting will be conducted electronically.**

Once the voting has opened, the resolutions and voting choices will be displayed. To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received. To change your vote, simply select another direction. If you wish to cancel your vote, please press 'Cancel'.

Votes will be tallied according to the number of shares held by each shareholder.

## QUESTIONS

Shareholders may ask questions by typing and submitting their question in text – Select the messaging icon from within the navigation bar and type your question at the bottom of the screen. To submit your question click the send arrow button to the right of the text box.

Shareholders may submit questions in advance of the AGM via email to [corporatesecretary@caveshepherd.com](mailto:corporatesecretary@caveshepherd.com). Those frequently asked questions will be addressed upon receipt prior to the AGM, depending on the nature of the question, or alternatively will be addressed at the AGM during the Chairman's Opening Remarks or by either the Chief Executive Officer or the Chief Financial Officer in their presentations, as appropriate.

# APPENDIX 1

## RESOLUTION TO AMEND BY-LAW NO. 1 OF THE COMPANY

**WHEREAS** the Company is desirous of hosting its Annual General Meeting on 11th May, 2021 in accordance with Section 105 of the Companies Act CAP 308;

**WHEREAS** by virtue of the enactment of the Emergency Management (Covid-19) (Curfew) (No. 6) Directive, 2021, on the 13th March, 2021, the Government of Barbados has imposed restrictions on public gatherings to ensure the safety and well-being of its citizens in light of the COVID-19 pandemic;

**WHEREAS** the Company has decided that in order to meet its obligations to its Shareholders, it is in the Company's best interest to host a virtual form of Annual General Meeting (where the Annual General Meeting is held only by electronic attendance with electronic voting);

**AND WHEREAS** By-Law No.1 of the Company dated 09th January, 1986 as amended and confirmed by Resolution of the Shareholders on 21st April, 2008 requires further amendment for the Company to host hybrid or virtual forms of Annual General Meetings which include electronic attendance and voting;

**BE IT RESOLVED THAT** the amendments to By-Law No. 1 of the Company as outlined in Annex A hereto which was effected by resolution of the Board of Directors on 19th March, 2021 be hereby confirmed.

## ANNEX A

### 8 - Meetings of Shareholders

#### 8.1 Form of Annual Meeting

The form of annual meeting of the shareholders may be in-person, hybrid or virtual.

#### 8.2 Annual Meetings

Subject to the provisions of Section 105 of the Act, the annual meeting of the shareholders shall be held not later than six months after the end of the financial year of the Company on such day in each year, at such time and form as the directors may by resolution determine at any place within Barbados, where applicable, or if all the shareholders entitled to vote at such meeting so agree, outside Barbados.

#### 8.3 Special Meetings

Special meetings of the shareholders may be convened by order of the directors at any date, time, form and at any place within Barbados, where applicable or if all shareholders entitled to vote at such meeting so agree outside of Barbados. Whenever as soon as there is not a quorum of directors in office it shall be the duty of the Secretary to call a special meeting of shareholders to elect directors to fill the vacancies, provided that if such lack of quorum shall occur within a month before the regular time for the annual meeting the Secretary may call the annual meeting instead of a special meeting.

#### 8.4 Hybrid Form of Annual Meeting

A hybrid form of annual meeting of the shareholders is a meeting where shareholders are able to participate in a physical annual meeting through a telephonic, an electronic or other communication facility. A shareholder has the choice between attending in person or participating through a telephonic, an electronic or other communications link and shall be deemed to be present at the meeting. A hybrid annual meeting of the shareholders shall be deemed to be held at such place where the physical location for the annual meeting of the shareholders is held.

#### 8.5 Virtual Form of Annual Meeting

A virtual form of annual meeting of the shareholders is a meeting held entirely by a telephonic, an electronic or other communication facility. A shareholder attending a virtual annual meeting shall be deemed to be present at the meeting. Virtual annual meetings of the shareholders shall be deemed to be held at the Company's registered address.

#### 8.6 Special Meetings on Requisition of Shareholders

The directors shall, on the requisition of the holders of not less than five per cent of the issued shares of the Company that carry a right to vote at the meeting requisitioned, forthwith convene a meeting of shareholders, and in the case of such requisition the following provisions shall have effect:

- (a) The requisition must state the purposes of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form, each signed by one or more of the requisitionists.
- (b) If the directors do not, within 21 days from the date of the requisition being so deposited, proceed to convene a meeting, the requisitionists or any of them may themselves convene the meeting but any meeting so convened shall not be held after three months from the date of such deposit.
- (c) Unless subsection (3) of section 129 of the Act applies the directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Act within 21 days from the deposit of the requisition.
- (d) Any meeting convened under this by-law by the requisitionists shall be called as nearly as possible in the manner in which meetings are to be called pursuant to the by-laws and Divisions E and F of Part I of the Act.
- (e) A requisition by joint holders of shares must be signed by all such holders.
- (f) A meeting convened under this by-law by the requisitionists shall be held in person.

#### 8.7 **Notice of Meetings**

Notice of the time, form and place, where applicable, of each meeting of shareholders, shall be given in the manner provided in paragraph 12.1 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

#### 8.8 **Record Date for Notice**

The directors may fix in advance a record date, preceding the date of any meeting of shareholders by not more than fifty days and not less than twenty-one days, for the determination of the shareholders entitled to notice of the meeting provided that notice of any such record date is given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act. If no record date is so fixed the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given.

#### 8.9 **List of Shareholders Entitled to Vote**

For every meeting of shareholders the Company shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to paragraph 8.8 the shareholders listed shall be those registered at the close of business on a day not later than ten days after such record date. If no record date is fixed the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any such shareholder during usual business hours at the registered office of the Company or at the place where the securities register is kept.

#### 8.10 **Right to Vote**

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Company has prepared the list referred to in paragraph 8.9 every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except where the Company has fixed a record date in respect of such meeting pursuant to paragraph 8.8 to the extent that such person has transferred any of his shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing to the satisfaction of the Company that he owns such shares may demand not later than ten days before the meeting that his name be included on the list to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

#### 8.11 **Persons Entitled to be Present**

The only persons entitled to be present at a meeting of the shareholders shall be those entitled to vote thereat, the directors and auditors of the Company and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

#### 8.12 **Quorum**

Subject to the Act and paragraph 8.24, a quorum for the transaction of business at any meeting of the shareholders either held in person, hybrid or virtual format shall be at least 10 shareholders present or by proxy holding between them at least 5% of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of the shareholders, the shareholders present or represented by proxy may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present within 30 minutes of the time appointed for a meeting of the shareholders, the meeting stands adjourned to the same day, two weeks thereafter at the same time, form and place, where applicable, and if at the adjourned meeting a quorum is not present within 30 minutes of the appointed time the shareholders present constitute a quorum.

#### 8.13 **Chairman, Secretary and Scrutineers**

The chairman of any meeting of shareholders shall be the chairman of the board and in his absence the deputy -chairman if any. If no such officer is present within 15 minutes from the time fixed for holding the meeting the persons present and entitled to vote shall choose one of the directors present to be chairman of the meeting. If the secretary of the Company is absent the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by resolution of the directors or by the chairman with the consent of the meeting.

#### 8.14 **Proxies**

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxy holder or one or more alternate proxy holders, who need not be shareholders, to participate and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform to the requirements of the Act.



**8.15 Time for Deposit of Proxies**

The directors may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Company or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Company or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

**8.16 Form of Proxy**

Subject to the provisions of Part V of the Regulations, a proxy may be in the following form:

I,....., the undersigned, being a shareholder of Cave Shepherd & Co. Limited hereby appoint.....of.....  
or.....failing him.....of.....as my proxy to participate or act for me and on my behalf at  
the.....meeting of the shareholders of the Company to be held on the ... day of ....., and at any adjournment thereof in the same manner,  
to the same extent and with the same powers as if the undersigned were present at the meeting or such adjournment.

Dated this.....day of .....20-....

.....  
Signature of Shareholder

**8.17 Bodies Corporate and Associations**

A body corporate or association which is a shareholder may by resolution authorize an individual to represent it and vote for it at meetings of shareholders.

**8.18 Joint Shareholders**

If two or more persons hold shares jointly any one of them or represented by proxy at a meeting of the shareholders may, in the absence of the other, vote the shares; but if two or more of those persons or represented by proxy are present and vote, they shall vote as one on the shares jointly held by them.

**8.19 Voting - Show of Hands**

Subject to the provisions of the Act and paragraph 8.21, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question and the result of the vote so taken shall be the decision of the shareholders upon the said question.

**8.20 Voting - Ballots**

On any question proposed for consideration at a meeting of shareholders and whether or not a show of hands has been taken thereon any shareholder or proxy holder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner and either at once, later in the meeting or after adjournment as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the close of the meeting at which the demand was made. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

**8.21 Voting in Hybrid or Virtual Forms of Annual Meetings**

Notwithstanding paragraphs 8.19 and 8.20 and subject to Section 127 of the Act shareholders attending a hybrid or virtual form of annual meeting of the shareholders shall vote by means of a telephonic, an electronic or other communication facility that the Company has made available for that purpose.

**8.22 Adjournments**

Without prejudice to the right of the chairman to adjourn a meeting of shareholders for reasons of disorder, the chairman of any meeting may with the consent of the meeting, adjourn the same from time to time to a fixed time, form and place, where applicable. If the meeting is adjourned for less than 30 days it shall not be necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more notice of the adjourned meeting shall be given as for an original meeting.

**8.23 Resolution in Writing**

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of shareholders is, subject to section 128 of the Act, as valid as if it had been passed at a meeting of the shareholders.

**8.24 Only One Shareholder**

Where the Company has only one shareholder or only one holder of any class or series of shares the shareholder present in person or by proxy constitutes a meeting.



50

CELEBRATING 50 YEARS  
AS A PUBLIC COMPANY

HONOURING  
OUR PAST  
FORGING  
OUR FUTURE

# 50

CELEBRATING 50 YEARS  
AS A PUBLIC COMPANY



## GROUP FINANCIAL RESULTS

Cave Shepherd and Co. Limited ("The Company") recorded a loss of \$(38.1) million for the year ended December 31, 2020 compared to a profit of \$8.5 million in 2019. The current year loss represents a profit of \$3.4 million from continued operations offset by a loss of \$(39.6) million on discontinued operations. The latter relates to the disposal of our shareholding in Duty Free Caribbean (Holdings) Ltd. which operates the main retail businesses, including the legacy department store in Bridgetown as well as the duty free businesses in Barbados and throughout the Caribbean islands.

The decision to exit Duty Free Caribbean (Holdings) Ltd. was a difficult but necessary one given the losses being incurred in 2020 as a result of the devastating impact of the COVID-19 pandemic on travel and tourism, as well as further losses being forecast into the future. In making our decision, the Cave Shepherd Group took into account the need to protect our other profitable and growing companies, such as Fortress Fund Managers, the Cave Shepherd Card business, SigniaGlobe Financial Group and DGM Financial Group. In so doing the parent company, Cave Shepherd and Co. Limited, would be best

positioned for a positive, profitable and bright future. We realise that for most if not all Barbadians, the Cave Shepherd name is synonymous with the store on Broad Street, and so it will take time to convey the message to them that the department store is no longer part of the Cave Shepherd Group but that there are many other vibrant parts of the business. It is important to note that the losses incurred on the disposal of Duty Free Caribbean (Holdings) Ltd. are non-cash accounting entries, and so the underlying stability of the Cave Shepherd Balance Sheet was not in any way impaired. Indeed, the strength and liquidity of our Balance Sheet, which we have commented upon in previous reports, is serving us well in these difficult economic times. Not only is it sufficient to protect our existing businesses, but we are in the fortunate position to have the available capital to take advantage of new investment opportunities as they arise.

The Company paid an interim dividend to shareholders of 5 cents per share in August 2020 and paid the same again in February 2021. These dividend payments are half of the amounts paid in the prior year but were considered prudent in the circumstances.

At December 31, 2020, the Company's share price was \$4.10 on the Barbados Stock Exchange. This is down from the share price of \$4.65 at the end of the prior year and reflects the challenges that the Company faced in 2020 as well as the general downturn of share prices on the local stock market.

As a result of the non-cash write off of Duty Free Caribbean (Holdings) Ltd our net assets decreased from \$117.3 million in 2019 to \$79.0 million in 2020. Working capital remains strong at \$74.4 million up from the prior year amount of \$73.4 million. Our cash and liquid assets stands at \$49.7 million for the current year compared to \$46.0 million in the prior year.

1970 Cave Shepherd plans Initial Public Offering (IPO)



1988 Cave Shepherd renovates, expands and initiates the concessionaire system



1991 Cave Shepherd enters a new business venture with Colombian Emeralds International



## FINANCIAL SERVICES

Fortress Fund Managers had a good year although, not unexpectedly, profitability was less than in 2019. The year was a tumultuous one in the investment world as a precipitous decline in global stock markets in the first quarter of 2020 when COVID-19 was spreading throughout the world was followed by a strong rebound during the remainder of the year with international stock markets rising to record levels. Subsequent to the year end, Fortress Fund Managers received regulatory approval for the start of two new United States dollar (US\$) denominated mutual funds, Fortress World Growth Fund and Fortress World Fixed Income Fund, which will be open to Barbadian investors who have US dollars to invest. This is an exciting development which opens new opportunities for Fortress' clients to invest and diversify their portfolios. Fortress' pension administration business continued at a steady pace but the double taxation of pensions in Barbados will continue to be a headwind and discourage persons from putting aside funds for their retirement years. Subsequent to the year-end Cave Shepherd Group entered into an agreement to acquire an increased shareholding in this business and once the purchase is completed our participation will increase from 60% to 68.57%.

As one would expect, our Cave Shepherd Card business was negatively impacted by the economic downturn created by the pandemic. The value of cardholder transactions, particularly international payments, declined as travel came to a virtual standstill and local economic activity was subdued. In addition, delinquency levels did increase somewhat but they are still very manageable and well below industry norms. The Card business ended the year with a profit but less than reported in 2019. One of the effects of the pandemic and the associated limitations on physical movement was the significant

increase in the adoption of digital interaction by our cardholders, whether it was receiving digital statements, making payments online, or making inquiries through the newly establish 'chat bot' application. Overall, the Cave Shepherd Card business is well positioned to grow and continue making a positive contribution to the Cave Shepherd Group.

SigniaGlobe Financial Group Inc. was also adversely impacted by the pandemic, but responded positively to the changes that were required to operate remotely during the lockdown in the second quarter of 2020. There was reduced demand for loans, both personal and commercial, as well as the ability of clients to fully meet their repayment obligations on schedule. SigniaGlobe also saw an increase in delinquency but this was well managed, balancing the interests of the business and its clients. The company also participated in the temporary moratorium for borrowers that the Social Partnership encouraged lending institutions to implement. The company ended the year recording a profit just slightly lower than in 2019 which in all the circumstances, was an excellent performance. Subsequent to the year-end Cave Shepherd & Co. Limited entered into an agreement, subject to regulatory approval, to acquire an increased shareholding in this business and once the purchase is completed our participation will increase from 40% to 50%.

DGM Financial Group was unusual in our portfolio as its business was not noticeably affected by the pandemic. Indeed, it continued to grow, and add new clients and revenues throughout 2020, ending the year with an increased profit. The nature of the DGM's business, which provides management, trust and other financial and corporate services to global companies, meant that it could do so largely in a virtual environment and so the impact of the lockdown was not as challenging as experienced by some other operations.

**1994** Bridgetown Cruise Terminals Inc. officially opens with Cave Shepherd as one of the partners



**1996** Launch of Fortress Caribbean Growth Fund



**2000** Duty Free Caribbean is formed in partnership with Dufry International





# 50

CELEBRATING 50 YEARS  
AS A PUBLIC COMPANY

## RETAIL

Although the Cave Shepherd Group has exited Duty Free Caribbean (Holdings), we do retain our 40% shareholding interest in GCS Limited (Ganzeer). This business operates in Barbados and Grenada and sells souvenirs and other destination retail merchandise. Importantly, it has been profitable over the last several years and although it was significantly impacted by the almost complete cessation in tourism, we are confident that when there is return to a greater level of normalcy, this business will once again be profitable and contribute positively to the Cave Shepherd Group earnings. Fortunately, this company had built up sufficient cash reserves to allow it to weather the downturn and we expect that it will require little or no cash injection by us before it returns to profitability. During the pandemic, Ganzeer took the opportunity to relocate and expand their retail presence at the Grantley Adams International Airport, and once traffic volumes return we look forward to this store increasing its revenues.

## OTHER

Bridgetown Cruise Terminals Inc., in which we have a 20% interest, was severely affected by the pandemic. Even in a tourism and travel industry which was hit hard by the pandemic, cruise travel stood out as it came to a complete halt, and so from April 2020 this business has had virtually no revenue. However, it was in the fortunate position of having strong cash reserves and also relatively low fixed costs, and so it has managed to remain afloat.

Our property investments were negatively impacted by building valuations which reflected declines in value as uncertainty of leases and demands for reduced rent from tenants were taken into account. The biggest reduction was in our partnership which owns the main department store building on Broad Street where we have recorded a 36.5% decline in value on this investment. It is this write-down in value that has had the greatest impact on our reduced profitability reflected in the financial statements from continuing operations.

Although our investment portfolio was impacted by the declines in the global stock markets as a result of the pandemic, it still recorded net gains of \$1.5 million, albeit down from the prior year gains which stood at \$2.4 million.

2003 Launch of Signia  
Financial Group Inc.



2006 Cave Shepherd & Tourvest  
joint venture in Ganzeer



2008 Investment in  
DGM Financial  
Group



## OUTLOOK

At the time of writing this report, Barbados as in many parts of the world, is experiencing an upsurge in COVID-19 infections and it has entered another lockdown. Economic activity remains low and there is still a high degree of uncertainty as to when the all-important tourism sector will recover, however there is hope in the form of several different approved vaccines.

There is no doubt that 2021 will be another challenging year for our Company but we have the cash reserves not only to survive but also to seek out exciting profitable growth opportunities in which to invest. One of the outcomes of the last year has been to demonstrate the benefit of a diversified portfolio. Were it not for our financial services businesses the very existence of the Cave Shepherd Group could have been threatened. As we look to invest further in our financial services businesses we will also actively explore other sectors for investment.

Our customers, clients and the public were understanding and could not be more supportive, whether in the physical adherence to the various health protocols or their determination to do their best in meeting their obligations. We thank you all for the support.

We are really not in a position to say what 2021 and beyond will deliver, but we can say that Cave Shepherd & Co. Limited will see it through and we fully expect to come out the other side as a stronger company poised for further growth and profitability.

Sir Geoffrey Cave  
Chairman

Mr. John M. B. Williams  
Chief Executive Officer

March 19th 2021

## CLOSING

Every year we rightly thank our staff, our customers and the public for their support. This year that is more important and more meaningful than ever. The challenges that have been thrown up in 2020 have never been experienced by any of our team members, and yet their response has been tremendous. Their creativity, innovation and commitment is amazing. To them we express our sincere thanks.

2016 Launch of CS  
Visa Card



2018 Signia Financial and Globe  
Finance merge



2020 Divestment of Duty  
Free Caribbean  
(Holdings) Ltd.



# 50

CELEBRATING 50 YEARS  
AS A PUBLIC COMPANY

## CORPORATE SOCIAL RESPONSIBILITY

Despite the challenges faced as a nation and a business in 2020, and in keeping with our values, Cave Shepherd & Co. Limited continued to act with respect, compassion and integrity supporting the communities in which we live and work, whilst building strong partnerships.

Throughout the COVID-19 pandemic, Cave Shepherd took swift action to adopt the recommended protocols by the Government in all of our business operations to ensure the safety and wellbeing of team members, customers and by extension the community. During the period of national lockdown, the Group transitioned to remote working, where possible, with the necessary technology and systems deployed, to ensure minimal disruption and business continuity.

Cave Shepherd and one of its subsidiaries, Fortress Fund Managers Limited, provided financial support towards Cave Shepherd's internal CARE PROGRAMME that was established to offer financial assistance particularly to our colleagues in retail operations who were laid off or on a reduced salary due to store closures. The programme ran for a period of 14 weeks during the national lockdown with 179 team members benefitting from grants. Another component of the CARE PROGRAMME was cell phone top up since communication was critical during this time.

Cave Shepherd also continued its commitment to annual corporate donations to over 50 charitable and non-governmental organisations across Barbados.

### 2020 Plans for new Corporate Office underway



### Ganzees expands at Grantley Adams International Airport



### A solid foundation for a bright future...



# FINANCIAL HIGHLIGHTS

**For the year ended December 31, 2020**  
Expressed in Barbados dollars

	<b>2020</b> \$	2019 \$
<b>RESULTS FOR THE YEAR (in \$ millions)</b>		
Revenue from operations and other gains	<b>25.43</b>	26.26
Profit before taxation	<b>3.69</b>	13.81
Corporation tax	<b>(0.23)</b>	(0.16)
Net profit from continuing operations	<b>3.45</b>	13.65
Net loss from discontinued operations	<b>(39.63)</b>	(3.01)
Net (loss)/income attributable to equity holders of the company	<b>(38.14)</b>	8.54
<b>YEAR END POSITION (in \$ millions)</b>		
Working capital	<b>74.44</b>	73.45
Total assets	<b>132.61</b>	176.42
Shareholders' equity	<b>78.97</b>	117.26
<b>PER SHARE OF CAPITAL STOCK (in dollars)</b>		
Earnings before taxation and non-controlling interest	<b>0.20</b>	0.75
Net (loss)/income attributable to equity holders of the company	<b>(2.07)</b>	0.47
Dividends declared	<b>0.10</b>	0.20
Shareholders' equity	<b>4.28</b>	6.37
Market price per share	<b>4.10</b>	4.65
<b>FINANCIAL RATIOS (in percentages)</b>		
Return on average equity - continuing operations	<b>3.8%</b>	12.0%
Return on average equity - equity holders	<b>(38.9)%</b>	7.4%

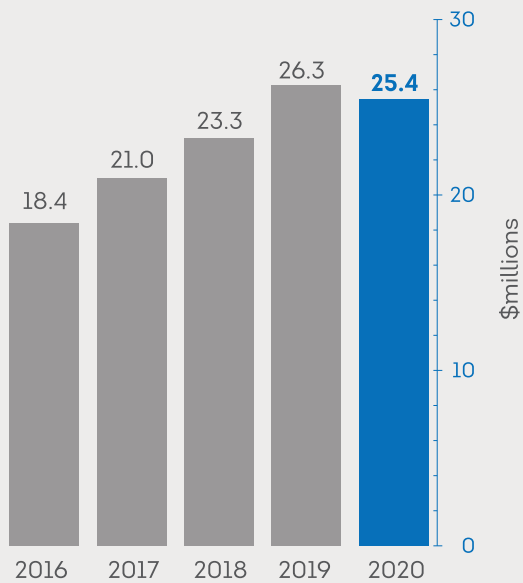


## FIVE YEAR SUMMARY

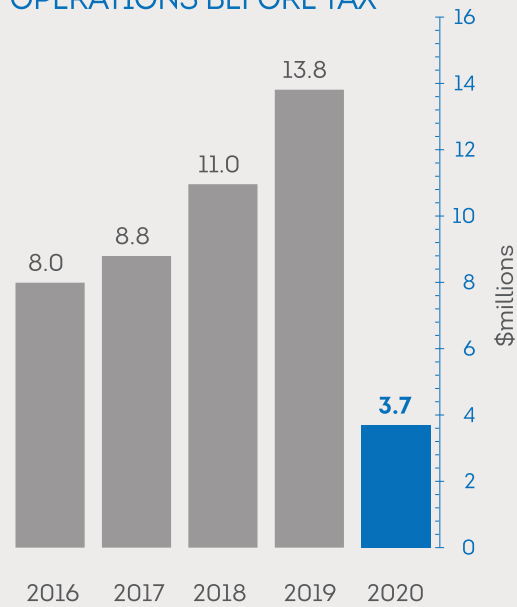
	2020	2019	2018	2017	2016
<b>Year End Position (in \$ millions)</b>					
<b>Current Assets</b>					
Cash and cash equivalents	21.7	20.1	15.9	18.9	13.2
Financial assets held for trading	0.0	0.0	0.0	19.0	17.2
Financial assets at fair value through profit and loss	29.8	27.5	22.8	1.3	0.0
Trade and other receivables and prepayments	42.5	47.3	46.0	34.7	28.4
Other current assets	3.1	4.2	3.2	4.0	3.7
Total current assets	97.1	99.1	87.9	77.9	62.5
<b>Less Current Liabilities</b>	22.7	25.6	18.0	10.3	10.2
Working capital	74.4	73.5	69.9	67.6	52.3
Investments and other assets	35.5	77.4	76.3	74.5	79.3
	109.9	150.9	146.2	142.1	131.6
<b>Financed By:</b>					
Long-term Borrowings	30.9	33.6	33.4	33.4	25.9
Total Equity	79.0	117.3	112.8	108.7	105.7
	109.9	150.9	146.2	142.1	131.6
No. of Shares Outstanding (in millions)	18.5	18.4	18.3	18.3	18.3
<b>Share of Associates Revenue (in \$ millions)</b>	14.6	107.2	109.1	100.1	105.5
<b>Results For The Year (in \$ millions)</b>					
Revenue from operations and other gains	25.4	26.3	23.3	21.0	18.4
Net operating profit including results at associates	2.1	11.4	10.5	6.3	7.0
Profit before taxation and non-controlling interests	3.7	13.8	11.0	8.8	8.0
Discontinued operations	(39.6)	(3.0)	0.6	(1.0)	0.4
Net comprehensive (loss)/income attributable to equity holders of the Company	(38.1)	8.5	7.5	6.1	6.4
Dividends declared	1.8	3.7	3.3	2.4	2.2
<b>Per Share Of Capital Stock (in dollars)</b>					
Earnings	(2.07)	0.47	0.41	0.33	0.35
Dividends declared	0.10	0.20	0.18	0.13	0.12
Net book value	4.28	6.37	6.16	5.96	5.79
<b>Financial Ratios</b>					
Current ratio	4.28	3.87	4.87	7.54	6.11
Gearing ratio	0.24	0.20	0.20	0.13	0.11
<b>Returns excluding extraordinary item (%)</b>					
On net sales and other income	(150)%	33%	32%	29%	35%
On average equity	(39)%	7%	7%	6%	6%

## FINANCIAL HIGHLIGHTS

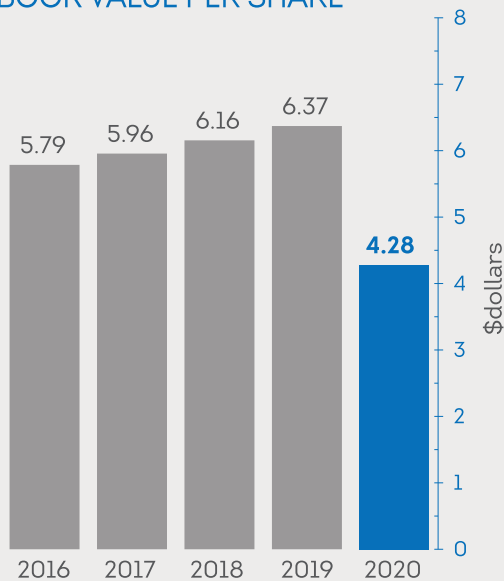
## REVENUE



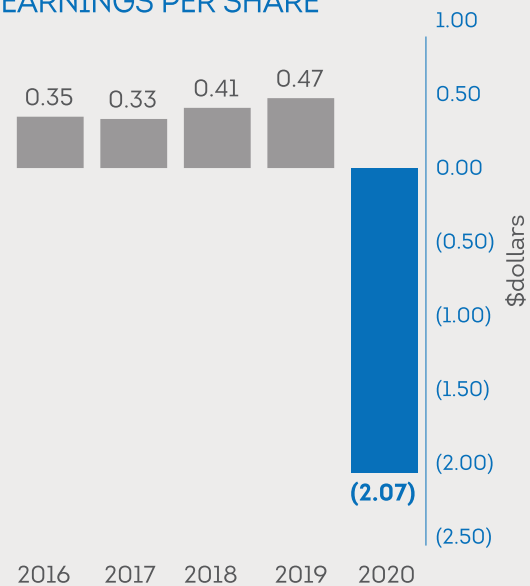
## PROFIT FROM CONTINUING OPERATIONS BEFORE TAX



## BOOK VALUE PER SHARE



## EARNINGS PER SHARE

EARNINGS  
PER SHARE**\$(2.07)**

# MANAGEMENT PROXY CIRCULAR

Management is required by the Companies Act Cap. 308 of the Laws of Barbados (the "Act") to send forms of proxy with the Notice convening the Meeting. By complying with the Act, Management is deemed to be soliciting proxies within the meaning of the Act.

This Management Proxy Circular accompanies the Notice of the Fiftieth Annual General Meeting of Shareholders of Cave Shepherd & Co. Limited (the "Company") to be held in a virtual format on **Tuesday May 11th 2021 at 3:00 p.m.**

## 1. APPOINTMENT AND REVOCATION OF PROXY

A form of proxy is enclosed and, if it is not your intention to be present at the Meeting, you are asked to complete, sign, date and return the proxy. **Proxies to be exercised at the Meeting must be deposited no later than 4:00 p.m. on Thursday May 06th 2021.**

Any Shareholder having given a proxy has the right to revoke it by depositing an instrument in writing, executed by the Shareholder or his/her attorney authorised in writing, or if the Shareholder is a body corporate, partnership, estate, trust or association, by any officer or attorney thereof duly authorised at any time up to and including the last business day preceding the day of the

meeting, or any adjournment thereof, with the Group Corporate Secretary of the Company at the addresses listed for delivery of proxy in the Notice of the Meeting.

The persons named in the enclosed form of proxy are Directors of the Company. If you wish to appoint some other person to represent you at the Meeting, you may do so by inserting the name of your appointee, who need not be a Shareholder, in the blank space provided on the proxy form.

## 2. RECORD DATE AND VOTING OF SHARES

The Directors of the Company have fixed **Tuesday April 06th 2021** as the **Record Date for determining the Shareholders entitled to receive Notice of the Meeting** and have given notice thereof by advertisement as required by the Companies Act. Only the Shareholders of the Company at the close of business on that day will be entitled to receive Notice of the Meeting.

Shareholders are voting on the following:

1. the confirmation of the amendments to By-Law No. 1 of the Company such that Annual General Meetings may be hosted in hybrid or virtual format, which was effected by resolution of the Board of Directors on March 19th 2021;

2. the adoption of the Audited Consolidated Financial Statements for the year ended December 31st 2020;
3. the election of Directors; and
4. the appointment of Auditors for the ensuing year and for the Directors to fix their remuneration.

Only Shareholders of the Company on the Record Date will be entitled to vote at the Meeting. Voting shall be conducted electronically. Each Shareholder is entitled to one vote for each share held. As at the date hereof there are 18,458,627 common shares without par value of the Company issued and outstanding.

# MANAGEMENT PROXY CIRCULAR

## ITEM 1 CONFIRMATION OF AMENDMENTS TO BY-LAW NO. 1 OF THE COMPANY

Confirmation of the amendments to By-Law No. 1 of the Company effected by the Board of Directors Meeting on March 19th 2021 such that Annual General Meetings of the Company may be hosted in a hybrid or virtual format.

*A simple majority of votes cast by Shareholders voting at the Meeting, whether by proxy or otherwise is required to confirm the amendments to By-Law No. 1 of the Company.*

*The Directors recommend that Shareholders VOTE FOR the confirmation of the amendments to By-Law No.1 of the Company.*

## ITEM 2 PRESENTATION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Audited Consolidated Financial Statements of the Company for the year ended December 31st 2020 and the Auditors' Report thereon can be found on the Company's website [www.caveshepherd.com](http://www.caveshepherd.com).

## ITEM 3 ELECTION OF DIRECTORS

**The maximum number of Directors permitted by the revised by-laws of the Company is ten (10) and the minimum is three (3). The Board of Directors presently consists of ten (10) Members. The number of Directors to be elected at the Meeting is four (4).**

(i) the following Directors retire by rotation in accordance with paragraph 3.9 and 3.10 of the revised by-laws and being eligible, offer themselves for re-election for the stated term:

Mr. Roger M. Cave	3 Years
Mr. Robert Harvey-Read	3 Years
Mr. John M.B. Williams	3 Years

(ii) the following Director, having attained the age of 72, retires in accordance with paragraph 3.10 of the revised by-laws and being eligible, offers himself for re-election for the term stated:

Sir Geoffrey Cave, K.A.	1 Year
-------------------------	--------

With respect to Mr. Roger M. Cave, Mr. Robert Harvey-Read and Mr. John M.B. Williams, the term of office for each person so elected will expire at the close of the third Annual General Meeting of the Shareholders of the Company following his election or until his successor is elected or

appointed. Each of these nominees is now a Director of the Company and will retire at the close of the Fiftieth Annual General Meeting in accordance with the provisions of the revised by-laws of the Company, but being qualified, is eligible for re-election. Mr. Roger M. Cave, Mr. Robert Harvey-Ready and Mr. John M. B. Williams were elected as Directors at the Shareholders' Meeting held on April 26th 2018. These nominees are being recommended in accordance with paragraphs 3.09 and 3.10 of the revised by-laws.

Sir Geoffrey Cave is currently a Director of the Company and is being proposed for re-election as a Director. The nominee, having attained the age of 72, is being recommended by the Board in accordance with paragraph 3.10 of the revised by-laws.

The Management of the Company does not contemplate that any persons named above will, for any reason, become unable or be unwilling to serve as a Director.

*A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to elect the above-named Nominees.*

*The Directors recommend that Shareholders VOTE FOR the election of the above-named Nominees.*

# MANAGEMENT PROXY CIRCULAR

## ITEM 4 APPOINTMENT OF AUDITORS

Ernst & Young Ltd of One Welches, St. Thomas, Barbados are the incumbent Auditors of the Company. It is proposed to re-appoint, Ernst & Young Ltd as Auditors of the Company to hold office until the next Annual General Meeting of Shareholders.

*A simple majority of votes cast by Shareholders present and voting at the Meeting, whether by proxy or otherwise is required to appoint the incumbent Auditors.*

*The Directors recommend that Shareholders VOTE FOR the re-appointment of Ernst & Young Ltd.*

### Discretionary Authority

The enclosed form of proxy confers discretionary authority upon the persons named with respect to amendments to or variations in matters identified in the Notice of Meeting, or other matters that may properly come before the Meeting.

Management knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting enclosed herewith. However, if any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the shares represented by proxies

in favour of management nominees will be voted on any such matter in accordance with the best judgement of the proxy nominee. Similar discretionary authority is conferred with respect to amendments to the matters identified in the Notice of the Meeting.

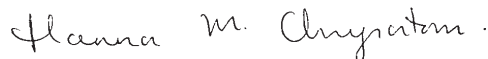
The contents of this Management Proxy Circular and the sending thereof to the Shareholders of the Company have been approved by the Directors of the Company.

No Directors' statement is submitted pursuant to Section 71 (2) of the Companies Act.

No Auditors' statement is submitted pursuant to Section 163 (1) of the Act.

No Shareholders' proposal and/or statement is submitted pursuant to Sections 112 (a) and 113 (2) of the Act.

Dated March 19th 2021



Hanna M. Chrysostom  
Group Corporate Secretary

[illegible]

# PROXY FORM

**CAVE SHEPHERD & CO. LIMITED**  
**COMPANY NO: 21716**

## PROXY FORM

**FOR USE AT THE FIFTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS  
 TO BE HELD ON MAY 11th 2021 AT 3:00 P.M. IN A VIRTUAL FORMAT.**

The undersigned Shareholder(s) of Cave Shepherd & Co. Limited (the "Company") hereby appoint(s) **SIR GEOFFREY CAVE**, Chairman, or failing him, **MR. JOHN M.B. WILLIAMS**, Chief Executive Officer and Director, or instead of either of them:

.....  
 (PLEASE PRINT NAME OF PROXY ON THIS LINE ONLY IF YOU WISH TO APPOINT A PROXY  
 OTHER THAN THE CHAIRMAN OR CHIEF EXECUTIVE OFFICER)

of .....  
 (PLEASE PRINT PROXY'S ADDRESS HERE)

As my/our proxy to participate, vote and otherwise act for and on behalf of the undersigned in respect of all matters that may properly come before the **FIFTIETH ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD IN A VIRTUAL FORMAT ON MAY 11th 2021**, and any adjournment thereof.

.....  
 Name of Shareholder(s)

.....  
 Signature of Shareholder (s)

.....  
 Date (DD/MM/YYYY)

### NOTES

1. You have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the management nominee. If you wish to designate as proxy a person other than the management nominee, you should strike out their names and insert in the space provided the name of the person you wish to designate as proxy.
2. When signing in a fiduciary or representative capacity, please provide full title as such. In the event of a Joint Shareholder, each should sign. A company should sign by an officer or attorney duly authorised in writing or under corporate seal.
3. If this form of proxy is not dated in the space provided, it is deemed to bear the date on which it was mailed to the Shareholder.
4. **To be valid, this proxy must be signed and deposited with the Group Corporate Secretary at 1st Floor, 24 Broad Street, Bridgetown, St. Michael, Barbados or emailed to corporatesecretary@caveshepherd.com, no later than 4.00 p.m. (Barbados time) on May 06th 2021, or if the Meeting is adjourned not less than 48 hours (excluding Sundays and Bank Holidays) before any adjourned Meeting.**
5. Please refer to the NOTES FOR THE ANNUAL GENERAL MEETING for details on how to participate in the 2021 Annual General Meeting.

**PLEASE COMPLETE AND RETURN.**







*Cave Shepherd & Co*

Cave Shepherd & Co. Limited  
24 Broad Street, Bridgetown, St. Michael, BB11000

**[www.caveshepherd.com](http://www.caveshepherd.com)**