Cave Shepherd & Co. Ltd.

ANNUAL REPORT & FINANCIAL STATEMENTS

Cave Shepherd & Co. Ltd.

ANNUAL REPORT 2012

OUR VISION

"To be the leading Caribbean public company in the services arena."

CONTENTS

REPORTS

FINANCIALS

OTHER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the FORTY-SECOND ANNUAL GENERAL MEETING of the shareholders of CAVE SHEPHERD & CO. LIMITED will be held at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael, Barbados on Thursday the 25th day of April, 2013 at 5:30 p.m. The Agenda is as follows:

1. To receive and consider the reports of the Directors and Auditor and the Audited Financial Statements for the year ended 31st December 2012.

2. 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. Richard G. Simpson	3 years
Mr. Edward J. L. Ince	3 years
Mr. Lyden J. Ramdhanny	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:

Mr. M. Grantley Taylor	1 year

3. To appoint an Auditor for the ensuing year.

4. To discuss any other business of the Company which may properly be considered at the Annual General Meeting.

Dated this 11th day of March, 2013

By order of the Board of Directors

Corporate Services Limited
As Secretary of
Cave Shepherd & Co. Limited

CORPORATE INFORMATION

DIRECTORS
Mr. R. Geoffrey Cave, *Chairman*
Mr. John M. B. Williams, *Chief Executive Officer*
Professor V. Eudine Barriteau
Mr. Roger M. Cave
Mrs. Maureen D. Davis
Mr. Robert M. Harvey-Read
Mr. Edward J. L. Ince
Mr. Lyden J. Ramdhanny
Mr. Richard G. Simpson
Mr. M. Grantley Taylor

CORPORATE SECRETARY
Corporate Services Limited
The Financial Services Centre
Bishop's Court Hill
St. Michael, BB 14004
Barbados

AUDIT COMMITTEE
Mr. Lyden J. Ramdhanny, *Chairman*
Mr. Robert M. Harvey-Read
Mr. M. Grantley Taylor

GOVERNANCE COMMITTEE
Mr. M. Grantley Taylor, *Chairman*
Professor V. Eudine Barriteau
Mr. Lyden J. Ramdhanny

REGISTERED OFFICE
10-14 Broad Street
Bridgetown
Barbados, BB11000
Telephone: +1 246 227 1330
Facsmile: +1 246 431 0845
Email: info@caveshepherd.com
www.caveshepherd.com

AUDITORS
PricewaterhouseCoopers SRL
The Financial Services Centre
Bishop's Court Hill
St. Michael, BB 14004
Barbados

PRINCIPAL BANKERS
CIBC FirstCaribbean International Bank
(Barbados) Limited
Rendezvous, Christ Church
Barbados

ATTORNEYS-AT-LAW
Clarke Gittens & Farmer
Parker House
Wildey Business Park
Wildey, St. Michael
Barbados

Sir Henry deB. Forde
Juris Chambers
Wildey Business Park
Wildey, St. Michael,
Barbados

REGISTRAR & TRANSFER AGENT
Barbados Central Securities Depository Inc.
8th Avenue
Belleville, St. Michael
Barbados
Telephone: +1 246 436 9871
Facsmile: +1 246 429 8942

ASSOCIATED COMPANIES

SUBSIDIARY COMPANIES

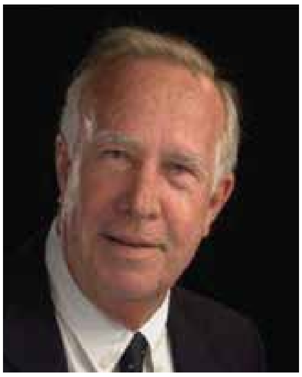
NAME	CAPITAL	PRINCIPAL COUNTRY OF OPERATION
Cave Shepherd Inc.	Equity $100,000 - 100% owned Loan Capital - Nil	United States
Cave Shepherd (Cayman) Ltd.	Equity $20,000 - 100% owned Loan Capital - Nil	Cayman
Cave Shepherd SRL	Equity $5,050,000 - 100% owned Loan Capital - Nil	Barbados
Fortress Fund Managers Limited	Equity $9,352,500 - 75% owned Loan Capital - Nil	Barbados
Fortress Fund Advisors Limited	Equity $2,000 - 75% owned Loan Capital - Nil	St. Lucia
Fortress Insurance Company Limited	Equity $3,000,000 - 75% owned Loan Capital - Nil	Barbados
Fortress Staff Share Scheme Inc.	Equity $1,000 - 75% owned Loan Capital - Nil	Barbados
Fortress Advisory & Investment Services Ltd.	Equity $2,000 - 75% owned Loan Capital - $400,000	Barbados
Fortress Global Value Fund	Equity $Nil - 75% owned Loan Capital - $Nil	British Virgin Islands (BVI)
Cayco Ltd.	Equity $1,000,000 - 100% owned Loan Capital - $6,100,000	Cayman
Colombian Emeralds International Limited	Equity $200 - 100% owned Loan Capital - Nil	British Virgin Islands (BVI)

ASSOCIATED COMPANIES

	OWNERSHIP	JURISDICTION
Duty Free Caribbean (Holdings) Ltd.	40%	Barbados
Duty Free Caribbean Limited	40%	Barbados
DFC Services Corp	40%	United States
Duty Free Caribbean Emeralds (St. Lucia) Ltd.	40%	St. Lucia
Duty Free Caribbean (Grenada) Ltd.	40%	Grenada
Ashworth Limited	40%	Bahamas
Duty Free Caribbean (Cayman) Holdings Ltd.	40%	Cayman
CS (Cayman) Ltd.	16%	Cayman
Emerald Distributors Limited	40%	Cayman
Duty Free Caribbean (TCI) Ltd.	40%	Turks & Caicos Islands
Duty Free Caribbean (Jamaica) Ltd.	40%	Jamaica
Duty Free Caribbean (Curacao) N.V.	40%	Curacao
Colombian Emeralds International N.V.	40%	Aruba
Colombian Emeralds International Limited	40%	St. Lucia
CEI Limited	40%	Antigua
Deltamar N.V.	40%	St. Maarten
DFC (USVI) Ltd.	40%	St. Thomas, USVI
DFC Investments Ltd.	40%	Barbados
Amoro Holdings Ltd.	20%	Barbados
Caribworld Inc.	20.4%	St. Lucia
Caribworld (Trinidad) Ltd.	20.4%	Trinidad
Carib Home Shopping Ltd.	20.4%	Jamaica
Bridgetown Cruise Terminals Inc.	20%	Barbados
DGM Holdings (Canada) Inc.	40%	Canada
DGM Bank & Trust Inc.	40%	Barbados
DGM Trust Corporation	40%	Barbados
DGM Insurance Holdings Corporation	40%	Barbados
DGM Insurance Corporation	40%	Barbados
DGM Securities Limited	40%	Barbados
Fowling Overseas Limited	40%	British Virgin Islands (BVI)
Breakwater Management Services Limited	40%	Barbados
DGM Captive Management Inc.	40%	Barbados
GCS Limited	40%	Barbados
CSGK Finance (Holdings) Limited	40%	Barbados
Signia Financial Group Inc.	40%	Barbados
CS&C Joint Venture	16%	Barbados
The Sunset Joint Venture	16%	Barbados
Franchise Services Corporation	25%	Barbados
The Perfect Time Ltd.	25%	Barbados
Contonou Shores Ltd.	35%	Bahamas
Caribbean Trade Logistics Advisors Inc.	44%	Barbados
FSSB Inc.	18.75%	Barbados


ACCESSORIES
PREMIUM

Directors Report



Geoffrey Cave
Chairman

John Williams
Chief Executive Officer

The Company recorded a modest profit of $660 thousand (EPS 4 cents) for the year ended 31st December 2012 compared to $1.07 million (EPS 6 cents) in the prior year. The performance was below our expectations but is indicative of the challenging market conditions that prevailed in 2012, a continuation of the depressed economic environment that the world and the Caribbean region has experienced in recent years. Again this year, it was our retail business that suffered most from the business environment whereas for the most part our financial services companies continue to perform creditably.

We continue to manage our businesses prudently and with particular emphasis on cash and working capital. Net working capital increased to $65.7 million at the end of 2012 compared to $60.2 million in the prior year. Cash and liquid assets, excluding those held on behalf of Fortress pension clients, stood at $36.9 million marginally up on the $35.3 million held at the end of last year. The strong management of cash flows has allowed the Company to maintain total dividends of 20 cents per share.


Ganzee
The Island Shop
havaianas

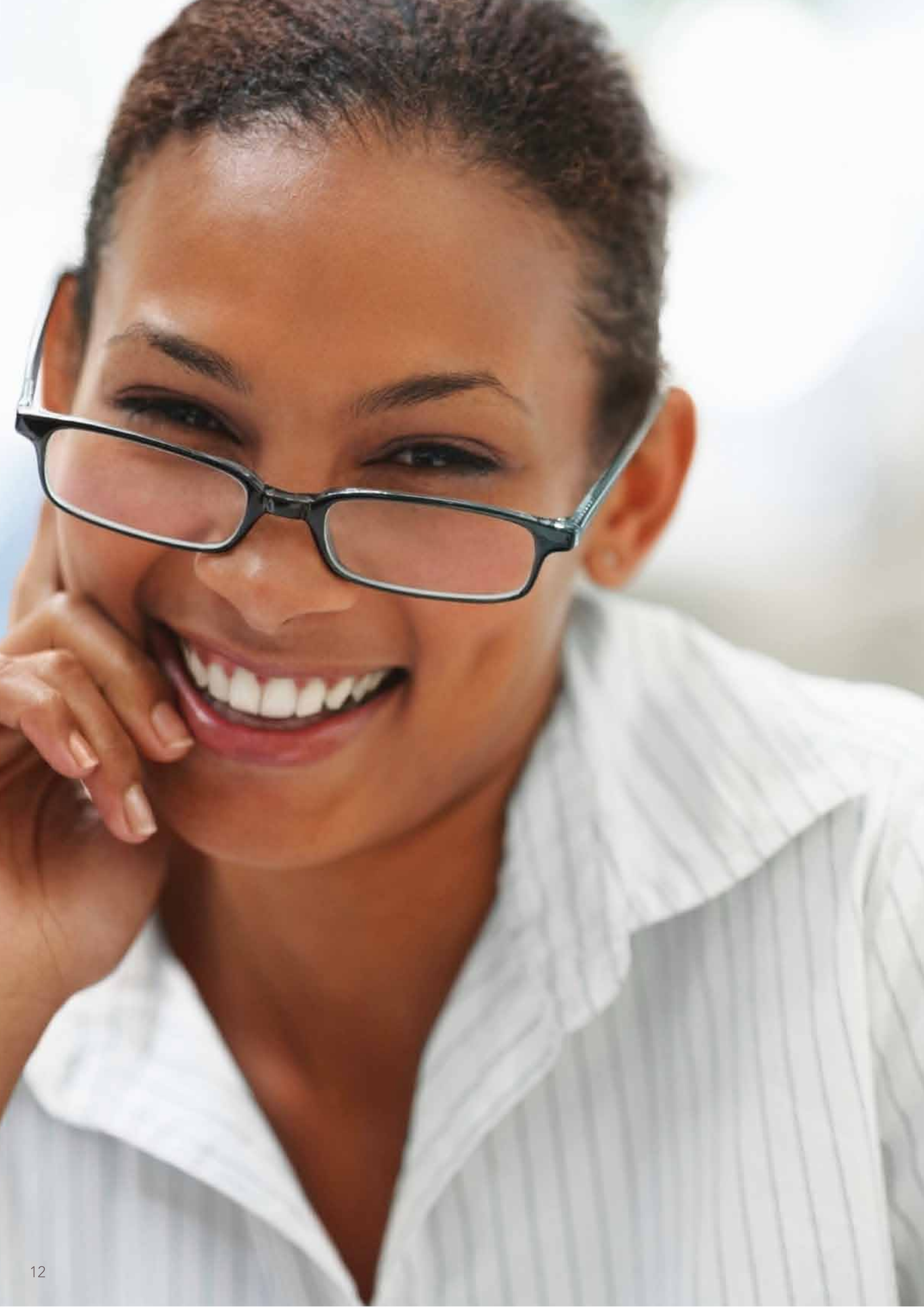
Retail

Our principal associate, Duty Free Caribbean (Holdings) Ltd., continues to experience a difficult trading environment. Sales, both locally and regionally, were depressed as the economic situation in Barbados and the Caribbean, as well as the number of cruise and long stay visitors declined in our three major markets, Grenada, St. Lucia and Barbados. In response to the challenging environment, management continues an aggressive cost reduction programme, embarking upon initiatives to reduce energy and other operating expenses. However, the effect of these savings was offset by substantial one-off costs arising from restructuring of various aspects of this business.

Shareholders and management are continuing the process of reviewing the retail business model for this company to ensure that it can achieve an acceptable level of performance at the lower level of sales that now characterize the Caribbean business environment.

GCS Limited trading as 'Ganzee' continued the recovery that commenced last year. Sales were up 5% and the company moved back to a modest level of profitability, both as a result of renewed focus on fewer locations together with firm control of expenses. Cautious and selective growth opportunities were pursued with the opening of a Caribbean KIDZ Store at the Grantley Adams International Airport, following the success of the same concept at the Bridgetown Cruise Terminal Inc. This business faces the same headwinds as our other retail businesses, but it is now positioned to return to an acceptable level of profitability under the restructured business model.

In last year's report, we noted the ongoing poor performance of our Colombian Emeralds International store in Tortola. Regrettably, our efforts to return it to profitability over recent years were unsuccessful, therefore the decision was made to close it at the end of April 2012. The overall financial loss for this operation increased by $217 thousand compared to the prior year because of closure costs.



Financial Services

Fortress Fund Managers Limited delivered another sound performance in 2012 albeit somewhat lower than the prior year. Lacklustre performances on the Caribbean markets combined with tightened economic circumstances for most investors have resulted in there being only marginal growth in funds under management. Our pensions business however, continues to grow steadily and we have further strengthened this department as we look for opportunities to expand it even further.

The Fortress Caribbean Property Fund continues to struggle in the environment of depressed real estate prices and reduced demand. The Board of that company is looking at ways of increasing shareholder's value as the current share price on the Barbados Stock Exchange is significantly below the company's net asset value.

Signia Financial Group Inc. produced a slightly lower profit than recorded in 2011. However, this was a creditable performance in light of very subdued economic conditions in Barbados. Increased write-downs were required against vehicle inventory as the company actively managed their portfolio of repossessed and end-of-lease vehicles. Debt provisioning for the year, although prudent, was less than prior year.

New products and new opportunities are under consideration and just after year end, in February 2013, Signia opened its new Haggatt Hall branch to better serve its customers.

DGM Bank & Trust recorded a modest improvement in profitability following an eventful and challenging year. Its founder and Chief Executive Officer, Mr. Robert Reid passed away suddenly in February 2012. His passing was a great loss to the company but the strength of the team that he had built allowed the business to continue without major interruption, and a combination of internal appointments and external recruitments have ensured that this operation was back to a full management complement in the second half of the year.

During the year, the company took the decision to exit some lines of business but also expanded through acquisition of portfolios, as well as entering new business lines, in particular the management of captive insurance companies.

Our Cave Shepherd Card business unit produced an improved result on increased revenues. The latter came about as a result of welcoming nearly two thousand new card holders as well as expanding our merchant base through the addition of two excellent partners, Digicel and Automotive Art. Increasing the merchant base will continue in 2013 as we offer our card holders a wider range of opportunities to use the Cave Shepherd Card. At the same time we continue to maintain strong management over our receivables portfolio, and delinquency remains well controlled.

OTHER

A decline in our share of Passenger Head Tax as a result of reduced passenger numbers in 2012 resulted in a decline in profitability at Bridgetown Cruise Terminal Inc. During the year it became evident that this company would not play a major role in the new pier development planned for Bridgetown and so our focus shifted to formalising an interim lease arrangement at the current facility to cover the period between the end of its existing lease in December 2013 and the construction and commencement of operation at the new facility. That interim arrangement is still to be finalized but substantial progress has been made.

Events surrounding Almond Resorts Inc. caused us to make a full provision against the shares which we hold in this entity. The amount of this provision was $615 thousand in 2012 on top of the $1.2 million provided in 2011.

New Areas for Investment

As part of the Group's growth and development strategy, we have identified specific sectors in which we would wish to invest and expand our business. Two areas that are of particular interest to us are the alternative energy sector, and the arena of medical and health services.

In 2012, we made a modest equity investment in RE Power (Barbados) Ltd which was formed to construct and operate wind turbines in Barbados and the region to provide power to the electricity grids. Regrettably, the electricity legislation has not yet been passed and without this, we have been unable to finalise a power purchase agreement with the utility company. We understand that legislation is due to be passed imminently and we anxiously await this happening. We see this as a small but significant step in the move to broaden our business interests and position the Group for the future. In addition we are also making use of LED lighting in our stores and offices, as well as installing photovoltaic panels on some of our buildings, in order to reduce utility costs. Initial tests have resulted in a significant reduction of electricity consumption, averaging over 30%. In addition, we are planning to install two 150 KVA Photovoltaic Systems on the roofs of Sunset Crest and Broad Street properties which should save us over $400 thousand per annum in energy costs. This should produce us a 15% return on investment and takes advantage of Government incentives to encourage the adoption of renewable energy.

In the area of medical and health, we are pursuing specific opportunities both within and outside of Barbados, and we expect that in 2013 we will make an equity investment in this field.

COMMUNITY SPIRITEDNESS

During 2012, the Group maintained its covenants, charitable donations and sponsorships of sporting organizations, as well as educational and cultural events. We continue to uphold our guiding principle, which is to demonstrate care for the people and the communities in which we do business.

CONCLUSION

We are hesitant to predict a return to better economic times in the near future as regional and global market uncertainties continue. However the Group's reserves and financial health are strong and we are confident that they will remain so. Importantly, we are not waiting for conditions to improve to allow our companies to return to an acceptable level of profitability but have taken, and continue to take steps to restructure our businesses to allow them to generate fair returns in the depressed markets that now characterize the territories in which we operate.

We would like to thank our customers, our staff, and our shareholders for their continuing support during some of the most difficult times that the Group has faced in its recent history.

Geoffrey Cave

R. Geoffrey Cave
Chairman

John Williams

John M.B. Williams
Chief Executive Officer

March 11, 2013

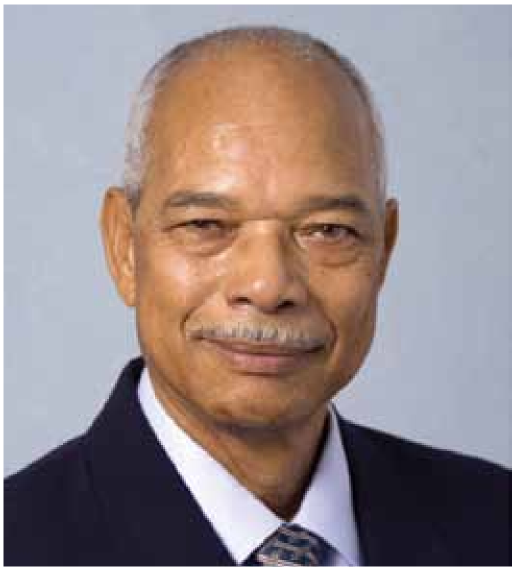
BOARD OF DIRECTORS





R.G. Cave, J.M.B. Williams, R.G. Simpson, Prof. V.E. Barriteau, M.G. Taylor
M.D. Davis, L.J. Ramdhanny, R.M. Harvey-Read, E.J. L. Ince, R.M. Cave





MEMBERS OF THE BOARD OF DIRECTORS

NAME	PROFESSION	NATIONALITY	POSITION WITH CAVE SHEPHERD	DATE OF FIRST ELECTION	TERM OF OFFICE
R. Geoffrey Cave	Business Executive	Barbadian	Non-Executive Chairman	1970	2014
John M. B. Williams	Business Executive	Barbadian	Chief Executive Officer	2007	2015
V. Eudine Barriteau	Deputy Principal, UWI Cave Hill Campus	Grenadian	Non-Executive Director	2008	2014
Roger M. Cave	Investment Director, Fortress Fund Managers Ltd	Barbadian	Executive Director	1997	2015
Maureen D. Davis	Business Executive, Duty Free Caribbean (Holdings) Ltd.	Barbadian	Executive Director	2007	2014
Robert M. Harvey-Read	Business Executive Cornerstone Builders Direct Inc.	Barbadian	Non-Executive Director	2008	2015
Edward J. L. Ince	Managing Director Prism Services Group Inc.	Barbadian	Non-Executive Director	2012	2013
Lyden J. Ramdhanny	Business Executive, L.L. Ramdhanny & Co.	Grenadian	Non-Executive Director	2008	2013
Richard G. Simpson	Business Executive Duty Free Caribbean (Holdings) Ltd.	Barbadian	Executive Director	2007	2013
M. Grantley Taylor	Business Executive	Barbadian	Non-Executive Director	1991	2013

EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS

Mr. R. Geoffrey Cave
CBE, BCH,
Hon. LLD (UWI)
Chairman
Born 1942

Geoffrey Cave is currently Chairman of Cave Shepherd & Co. Limited. Mr. Cave was first elected Chairman of the Board of Directors in 1975, after having served as Managing Director for five years.

He has served as an Independent Senator of Barbados in the Upper House from October 2009 until February 2013. In 2007, the University of the West Indies conferred on him an Honorary Degree of Doctor of Laws (LLD) and in the Queen's New Years' Honour's List in 2003, he was appointed Commander of the Most Excellent Order of the British Empire. His distinguished career in business in Barbados and the region was recognized in 2011 when he was honoured with the Caribbean Master Entrepreneur Award.

Mr. Cave holds a B. Comm. from McGill University in Canada.

Mr. John M. B. Williams
FCA
Chief Executive Officer
Born 1959

John Williams joined Cave Shepherd & Co. Limited as Chief Executive Officer in 2006. He has over 25 years' experience in senior management positions in both services and manufacturing.

He is currently Chairman of the Barbados Private Sector Association. Previously, he has served as Chairman of the Barbados Investment & Development Corporation,President of the Barbados Chamber of Commerce and Industry and Deputy President of the Institute of Chartered Accountants of Barbados.

Mr. Williams holds a BSc. in Mathematics from Manchester University, UK. He is a fellow of the Institute of Chartered Accountants of England and Wales (FCA) and the Institute of Chartered Accountants of Barbados (FCA).

Prof. V. Eudine Barriteau
Non-Executive Director
Born 1954

Eudine Barriteau was elected to serve on the Board of Cave Shepherd & Co. Limited in April 2008. Professor Barriteau is an academic with numerous scholarly writings to her credit. She serves on a number of Boards and Committees regionally and internationally.

Prof. Barriteau is currently the Deputy Principal of the University of the West Indies, Cave Hill Campus. Previously, she was the Head of the Centre for Gender and Development Studies, a position she held for fifteen years.

Mr. Roger M. Cave
CA, CFA
Executive Director
Born 1966

Roger Cave is the founder and Managing Director of Fortress Fund Managers Limited which manages the Fortress Caribbean Growth Fund, Fortress Caribbean Property Fund, Fortress Caribbean Pension Fund and Fortress Caribbean High Interest Fund.

Mr. Cave is a Chartered Financial Analyst (CFA) as well as a Chartered Accountant. He is a board member of the Barbados Stock Exchange and CariCris, the Caribbean's sole credit rating company.

Mrs. Maureen D. Davis
Executive Director
Born 1964

Maureen Davis joined the Cave Shepherd Board in 2007. She is currently the Chief Development Officer of one of Cave Shepherd's major associated companies, Duty Free Caribbean (Holdings) Ltd, a position she has held since that company's formation in the year 2000.

Mrs. Davis serves on the Boards of the Tourism Development Corporation, Fortress Caribbean Property Fund and is a Council member of the Barbados Museum and Historical Society.

Mr. Robert M. Harvey-Read
Non-Executive Director
Born 1964

Robert Harvey-Read was elected to the Cave Shepherd Board in April 2008. He is a member of the Audit Committee. Mr. Harvey-Read is the founder and Managing Director of CS LED Inc. and Cornerstone Builders Direct LLC.

Mr. Harvey-Read has spent a number of years in full-time Christian Ministry in Barbados, Grenada and the USA.

Mr. Edward J. L. Ince
Non-Executive Director
Born 1962

Edward Ince joined the Cave Shepherd Board in April 2012. He is joint Managing Director of the Prism Services Inc., a company that he co-founded in 1993, which has operations throughout the Caribbean and Central America.

He is a graduate of York University, Canada where he obtained a BSc. (Hons) in Computer Science in 1984.

Mr. Lyden J. Ramdhanny
Non-Executive Director
Born 1952

Lyden Ramdhanny was appointed to the Cave Shepherd Board in April 2008. Mr. Ramdhanny previously served as a Director on the Board of retail associate, Duty Free Caribbean (Holdings) Ltd for five years from inception.

Mr. Ramdhanny is a prominent businessman in Grenada having held numerous Private Enterprise and Public service/Governmental posts.

Mr. Richard G. Simpson
Executive Director
Born 1959

Richard Simpson was elected to serve on the Board of Directors of Cave Shepherd & Co. Limited in 2007. He is a member of the Executive Committee of Duty Free Caribbean (Holdings) Ltd. Mr. Simpson joined Cave Shepherd in 1983 and has worked in several departments of retail operations.

Mr. M. Grantley Taylor
Non-Executive Director
Born 1939

Grantley Taylor has served on the Cave Shepherd Board since 1991. He is now retired having spent most of his working career at Cave Shepherd. Mr. Taylor also served as Corporate Secretary of the company during the period 1970 to 1980.

Mr. Taylor served on the steering committee of the Barbados Stock Exchange when the Barbados Central Securities Depository Inc. was formed in 1999.

Mr. Taylor holds a diploma in Management from Irish Institute of Management.

EXECUTIVE MANAGEMENT

The following table sets forth the name and year of appointment of the current four members of the Executive Management, followed by a short description of each member's business experience, education and activities:

NAME	NATIONALITY	POSITION	APPOINTED IN YEAR
John M. B. Williams	Barbadian	Chief Executive Officer Cave Shepherd & Co. Ltd	2006
Ian P. Gibson	Barbadian	Chief Financial Officer Cave Shepherd & Co. Ltd	1995
Roger M. Cave	Barbadian	Investment Director Fortress Fund Managers Ltd	1996
Alison Browne-Ellis	Barbadian	Director Cave Shepherd Card Services	2011

Mr. John M. B. Williams
FCA
Chief Executive Officer
Born 1959

John Williams joined Cave Shepherd & Co. Limited as Chief Executive Officer in 2006. He has over 25 years' experience in senior management positions in both services and manufacturing.

He is currently Chairman of the Barbados Private Sector Association. Previously, he has served as Chairman of the Barbados Investment & Development Corporation, President of the Barbados Chamber of Commerce and Industry and Deputy President of the Institute of Chartered Accountants of Barbados.

Mr. Williams holds a BSc. in Mathematics from Manchester University, UK. He is a fellow of the Institute of Chartered Accountants of England and Wales (FCA) and the Institute of Chartered Accountants of Barbados (FCA).

Mr. Ian P. Gibson
Chief Financial Officer
Born 1962

Ian Gibson joined Cave Shepherd & Co. Limited in 1995 as Financial Controller and assumed his current position in the year 2000. He was previously employed with Coopers & Lybrand.

Mr. Gibson is a Fellow of the Institute of Chartered Accountants of Barbados (FCA) – Practicing Member and a member of the Certified General Accountants Association of Canada (CGA).

Mr. Roger Cave
CA, CFA
Investment Director
Born 1966

Roger Cave is the founder and Managing Director of Fortress Fund Managers Limited which manages the Fortress Caribbean Growth Fund, Fortress Caribbean Property Fund, Fortress Caribbean Pension Fund and Fortress Caribbean High Interest Fund.

Mr. Cave is a Chartered Financial Analyst (CFA) as well as a Chartered Accountant. He is a board member of the Barbados Stock Exchange and CariCris, the Caribbean's sole credit rating company.

Mrs. Alison Browne-Ellis
Director
Card Services
Born 1979

Alison Browne-Ellis joined Cave Shepherd & Co. Limited as Director, Card Services in June 2011. She holds a MBA from the University of Surrey, UK. Mrs. Browne-Ellis's background includes over 12 years' experience in the financial services and credit card management industry.

CORPORATE GOVERNANCE

DIRECTORS' INTEREST (ALL BENEFICIAL)

Directors' interests as at December 31, 2012 and as at March 11, 2013, are as follows:

	Shares as at 31-Dec-12	Shares as at 11-Mar-2013
	Common Shares	Common Shares
R. G. Cave	5,838,534	5,838,534
R. M. Cave	313,633	315,235
M. D. Davis	79,184	79,184
R. M. Harvey-Read	42,465	42,465
E. J. L. Ince	76,186	76,186
R. G. Simpson	68,618	68,618
M. G. Taylor	54,034	54,034
J. M. B. Williams	50,000	51,602

Note: There was an increase in directors' interests of 3,204 shares between the period January 1, 2013 and March 11, 2013.

SUBSTANTIAL INTEREST OTHER THAN DIRECTORS HOLDING MORE THAN 5% OF THE ISSUED SHARES

Landview Limited	2,193,517
Aerie Limited	2,148,649

BOARD OPERATIONS

During 2012, the Board of Directors (BOD) met four times. The Audit Committee (AC) met twice and the Governance Committee (GC) met once. Directors' record of attendance was as follows:

	BOD	AC	GC	TOTAL
R. G. Cave	4/4			4/4
V. E. Barriteau	4/4		1/1	5/5
R. M. Cave	4/4			4/4
M. D. Davis	4/4			4/4
R. M. Harvey-Read	4/4	1/2		5/6
E. J. L. Ince*	3/3			3/3
L. J. Ramdhanny	4/4	2/2	1/1	7/7
R. G. Simpson	4/4			4/4
M. G. Taylor	4/4	2/2		6/6
J. M. B. Williams	4/4			4/4

**appointed April 2012*

COMMITTEES

AUDIT COMMITTEE

Members: Robert M. Harvey-Read, Lyden J. Ramdhanny, M. Grantley Taylor

The members of the Audit Committee are non-Executive and independent members of the Board of Directors. An independent member is a non-executive member, has not been an executive member of the Cave Shepherd Group in the last three years and does not have major business relations with the Company.

The Audit Committee assists the Board in meeting its responsibilities in ensuring an effective system of financial reporting, internal control and risk management. It provides a direct channel of communication between the Auditors and the Board and assists the Board in ensuring that the audit is conducted in a thorough, objective and cost-effective manner.

GOVERNANCE COMMITTEE

Members: V. Eudine Barriteau, Lyden J. Ramdhanny, M. Grantley Taylor

The members of the Governance Committee are non-Executive and independent members of the Board of Directors. An independent member is a non-executive member, has not been an executive member of the Cave Shepherd Group in the last three years and does not have major business relations with the Company.

The purpose of the Committee is to ensure that corporate fairness, transparency and accountability is promoted in the pursuit of the company's goals and objectives. To this end, the Committee is to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings if it considers this necessary.

MANAGEMENT PROXY CIRCULAR

Company No. 21716

Management is required by the Companies Act Cap. 308 of the Laws of Barbados (hereinafter called "the Companies Act") to send with the notice convening the meeting, a form of proxy. 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 forty-second annual meeting of shareholders of Cave Shepherd & Co. Limited (hereinafter called "the Company") to be held on Thursday, April 25, 2013 at 5:30p.m. (hereinafter called "the meeting") and is furnished in connection with the solicitation by the management of the Company of proxies for use at the meeting, or any adjournment thereof. It is expected that the solicitation will primarily be by mail. The cost of the solicitation will be borne by the Company.

Proxies

A shareholder who is entitled to vote at a meeting of shareholders has the right, by means of the enclosed form of proxy, to appoint a person to represent him by inserting the name of such person in the space indicated on the form of proxy.

Proxies given by shareholders for use at the meeting may be revoked by the shareholder giving such proxy at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by his attorney in writing; if the shareholder is a company, executed under its corporate seal or by any duly authorised officer or attorney thereof, and deposited at the office of the Company, 1st Floor, # 24 Broad Street, Bridgetown, Barbados at any time up to and including two business days preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such meeting on the day of the meeting, or adjournment thereof, and upon either of such deposits, the proxy is revoked.

Record Date, Notice of Meeting & Voting Shares

The Directors of the company have fixed Thursday, March 28, 2013 as the record date for determining the shareholders who are entitled to receive notice of the meeting and have given notice thereof by advertisement as required by the Companies Act. Only shareholders of record at the close of business on Thursday, March 28, 2013 will be entitled to receive notice of the meeting.

Only such registered holders of common shares of the company will be entitled to vote at the meeting. Each holder is entitled to one vote for each share held. As at the date hereof there are 18,399,067 common shares without par value of the Company issued and outstanding.

Election of Directors

The Board of Directors consists of members who retire in rotation annually. On Monday, March 11, 2013, there are ten (10) Members. The number of directors of the Company to be elected at the meeting is four (4). Following are the names of the persons proposed as nominees for election as directors of the Company, and for whom it is intended that votes will be cast for their election as Directors pursuant to the form of proxy enclosed herewith:

Nominee for Director	Present Principal Occupation
Mr. Richard G. Simpson	Business Executive
Mr. Edward J. L. Ince	Business Executive
Mr. Lyden J. Ramdhanny	Business Executive
Mr. M. Grantley Taylor	Retired Executive

MANAGEMENT PROXY CIRCULAR

With respect to the first three persons nominated, the term of office for each person so elected will expire at the close of the third annual meeting of the shareholders of the Company following his election or until his successor is elected or appointed. Each of the first three nominees is now a director of the Company and will retire at the close of the forty-second annual meeting in accordance with the provisions of the by-laws of the Company, but being qualified, is eligible for re-election. Mr. Richard G. Simpson and Mr. Lyden J. Ramdhanny were elected as directors at the shareholders meeting held on April 22, 2010. Mr. Edward J. L. Ince was elected as a director at the shareholders meeting held on April 26, 2012. These three nominees are being recommended in accordance with paragraphs 3.09 and 3.10 of the revised by-laws.

The remaining nominee, Mr. M. Grantley Taylor, is a current director of the Company and is being proposed for election as non-executive director. This nominee, having attained the age of 72, is being recommended by the Board in accordance with paragraph 3.10 of the 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.

Appointment of Auditor

It is proposed to nominate the firm of PricewaterhouseCoopers SRL, the present auditor of the consolidated financial statements of the Company, as auditor of the Company to hold office until the next annual meeting of shareholders.

Discretionary Authority

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 holders of common shares 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 Companies Act.

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

FINANCIAL HIGHLIGHTS

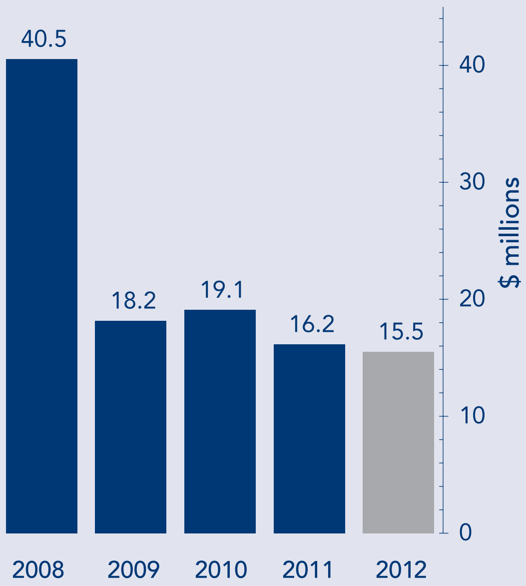
For the year ended December 31, 2012
Expressed in Barbados dollars

	2012 $	2011 $
Results For The Year (In $ Millions)		
Revenue from operations and other gains	**15.52**	16.15
Profit before taxation	**1.88**	2.88
Income tax expense	**(0.76)**	(0.99)
Net profit attributable to equity holders of the Company	**0.66**	1.07
Year End Position (In $ Millions)		
Working capital	**65.65**	60.19
Total assets	**163.66**	161.76
Equity	**110.74**	113.48
Per Share Of Capital Stock (In Dollars)		
Proft before taxation and non-controlling interest	**0.10**	0.16
Net profit attributable to equity holders of the Company	**0.04**	0.06
Dividends declared	**0.20**	0.20
Equity	**6.03**	6.18
Market price per share	**4.68**	4.60
Financial Ratios (In Percentages)		
Return on revenue from operations and other gains	**4.3%**	6.6%
Return on average equity	**0.6%**	0.9%

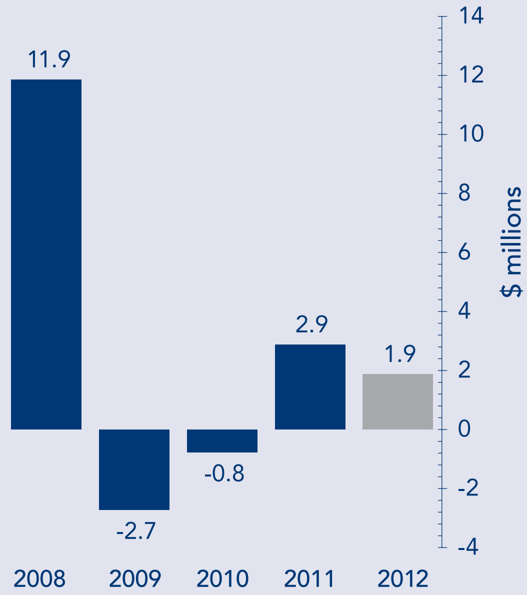
FINANCIAL HIGHLIGHTS

For the year ended December 31, 2012
Expressed in Barbados dollars

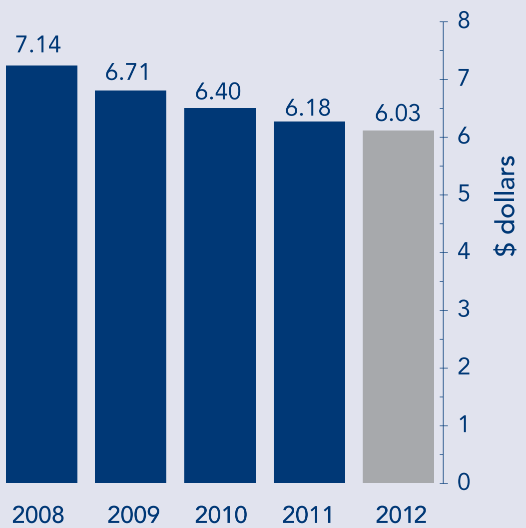
Revenue



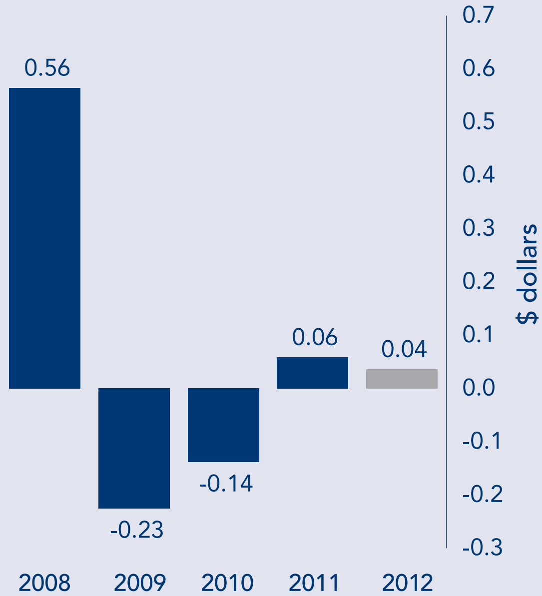
Profit before Tax



Book Value Per Share



Earnings Per Share



FIVE YEAR SUMMARY

	2012	2011	2010	2009	2008
Year End Position (in $ millions)					
Current Assets					
Cash and Cash Equivalents	**21.1**	14.8	19.2	16.1	17.1
Financial Assets Held for Trading	**30.3**	29.4	22.3	15.7	10.9
Inventories	**0.0**	4.9	4.1	4.6	6.6
Trade and Other Receivables and Prepayments	**19.9**	19.1	17.2	17.6	17.6
Other Current Assets	**10.6**	9.8	4.4	6.6	7.2
Total Current Assets	**81.9**	78.0	67.2	60.6	59.4
Less Current Liabilities	**16.2**	17.8	10.7	8.6	9.6
Working Capital	**65.7**	60.2	56.5	52.0	49.8
Investments and Other Assets	**81.8**	83.8	87.5	98.6	104.9
	147.5	144.0	144.0	150.6	154.7
Financed By:					
Long-term Borrowings	**36.8**	30.5	25.2	24.5	20.6
Shareholders' Equity	**110.7**	113.5	118.8	126.1	134.1
	147.5	144.0	144.0	150.6	154.7
No. of Shares Outstanding (in millions)	**18.4**	18.4	18.6	18.8	18.8
Share of Associates Revenue (in $ millions)	**107.8**	118.2	110.3	109.3	139.2
Results For The Year (in $ millions)					
Revenue from operations and other gains	**15.5**	16.2	19.1	18.2	40.5
Profit/(loss) before Interest, Taxes etc.	**2.3**	3.0	(1.8)	1.1	8.7
Profit/(loss) before Taxation and Non-controlling Interest	**1.9**	2.9	(0.8)	(2.7)	11.9
Net comprehensive income/(loss) attributable to equity holders of the Company	**0.7**	1.1	(2.6)	(4.2)	10.6
Dividends Declared	**3.7**	3.7	3.7	3.8	4.7
Per Share Of Capital Stock (in dollars)					
Earnings	**0.04**	0.06	(0.14)	(0.23)	0.56
Dividends Declared	**0.20**	0.20	0.20	0.20	0.25
Net Book Value	**6.03**	6.18	6.40	6.71	7.14
Financial Ratios					
Current Ratio	**5.05**	4.40	6.28	7.04	6.21
Gearing Ratio	**0.01**	0.06	0.00	0.04	0.01
Returns (%)					
On Revenue from Operations and Other Gains	**4%**	7%	(13%)	(23%)	26%
On Average Equity	**1%**	1%	(2%)	(3%)	8%

pwc

Independent Auditor's Report

To the Shareholders of Cave Shepherd & Co. Limited

We have audited the accompanying consolidated financial statements of Cave Shepherd & Co. Limited, which comprise the consolidated balance sheet as at December 31, 2012, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's 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 about 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in 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 present fairly, in all material respects, the financial position of Cave Shepherd & Co. Limited as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers SRL

PricewaterhouseCoopers SRL
March 19, 2013
Bridgetown, Barbados

PricewaterhouseCoopers SRL, The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies
T: +246-626-6700, F: +246-436-1275, www.pwc.com/bb

CONSOLIDATED BALANCE SHEET

As at December 31, 2012
Expressed in Barbados dollars

	2012	2011
	$	$
Current Assets		
Cash and cash equivalents (note 4)	21,083,673	14,765,043
Financial assets held for trading (note 5)	30,325,201	29,399,929
Trade and other receivables and prepayments (note 6)	19,892,799	19,146,113
Inventories (note 7)	-	4,845,896
Due by associates (note 8)	10,571,462	9,813,333
	81,873,135	77,970,314
Current Liabilities		
Borrowings (note 21)	722,779	-
Trade and other payables (note 10)	3,044,100	5,036,194
Due to associates (note 8)	7,676,060	8,039,737
Due to affiliates (note 9)	2,360,851	2,223,133
Current income tax liability	240,998	643,791
Dividend payable to preference shareholders	336,375	-
Dividend payable	1,839,405	1,839,405
	16,220,568	17,782,260
Working Capital	65,652,567	60,188,054
Investments in associates (note 11)	69,199,100	69,513,032
Financial assets at fair value through profit and loss (note 12)	332,380	182,380
Held-to-maturity investments	965,027	959,315
Intangible assets and goodwill (note 13)	4,573,833	5,418,233
Property, plant and equipment (note 14)	1,011,882	1,012,415
Loans due by associate (note 15)	4,600,000	5,800,000
Pension plan surplus (note 16)	1,102,360	905,192
Fixed income certificates payable (note 17)	(19,654,464)	(19,049,545)
Loans due to non-controlling interest (note 18)	(815,625)	(1,912,500)
Loan due to associate (note 19)	(660,000)	(640,000)
Due to registered retirement savings plan holders (note 20)	(14,464,847)	(8,886,566)
Redeemable preference shares (note 22)	(1,096,875)	-
Deferred income tax liability (note 23)	(5,480)	(5,361)
	110,739,858	113,484,649
Capital and Reserves attributable to the Equity holders of the Company		
Share capital (note 24)	38,689,673	38,689,673
Share option reserve (note 25)	136,651	52,506
Retained earnings (note 26)	68,490,730	71,509,425
	107,317,054	110,251,604
Non-controlling interest	3,422,804	3,233,045
	110,739,858	113,484,649

The accompanying notes form an integral part of these consolidated financial statements.
Approved by the Board of Directors on March 11, 2013.

Geoffrey Cave ....   John Wren ....

Director   Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2012
Expressed in Barbados dollars

	Attributable to equity holders of the Company			Non-controlling Interest	
	Share Capital	Retained Earnings	Share Option Reserve		Total
	$	$	$	$	$
Balance as at December 31, 2010	**39,113,043**	**74,626,932**	-	**5,084,327**	**118,824,302**
Total comprehensive income for the year	-	1,073,788	-	811,218	**1,885,006**
	39,113,043	75,700,720	-	5,895,545	120,709,308
Dividends (20¢ per share)	-	(3,687,700)	-	-	**(3,687,700)**
Dividends paid to non-controlling interest	-	-	-	(2,662,500)	**(2,662,500)**
Employee share options (note 25)	-	-	52,506	-	**52,506**
Repurchase of shares (note 24)	(423,370)	(503,595)	-	-	(926,965)
Balance as at December 31, 2011	**38,689,673**	**71,509,425**	**52,506**	**3,233,045**	**113,484,649**
Total comprehensive income for the year	-	660,115	-	459,759	**1,119,874**
	38,689,673	72,169,540	52,506	3,692,804	**114,604,523**
Dividends (20¢ per share)	-	(3,678,810)	-	-	**(3,678,810)**
Dividends paid to non-controlling interest	-	-	-	(270,000)	**(270,000)**
Employee share options (note 25)	-	-	84,145	-	**84,145**
Balance as at December 31, 2012	**38,689,673**	**68,490,730**	**136,651**	**3,422,804**	**110,739,858**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012
Expressed in Barbados dollars

	2012 $	2011 $
Revenue and other gains		
Revenue from operations (note 27)	15,377,939	15,838,781
Other gains (note 28)	140,452	315,213
	15,518,391	16,153,994
Expenses		
Cost of sales from retail operations (note 7)	1,746,462	2,652,588
Payroll costs (note 29)	4,687,862	4,849,848
Depreciation (note 14)	463,984	518,927
Amortisation of intangible assets (note 13)	844,400	844,400
Write back of amount due by associate (note 8)	-	(1,120,000)
Other operating expenses	4,840,567	5,369,032
Redeemable preference shares dividends to non-controlling interest	628,875	-
	13,212,150	13,114,795
Profit before interest and taxes	2,306,241	3,039,199
Finance costs	(1,215,604)	(1,213,484)
Net operating profit	1,090,637	1,825,715
Share of results of associates (note 11)	786,068	1,053,229
Profit before taxation	1,876,705	2,878,944
Income tax expense (note 30)	(756,831)	(993,938)
Net profit and total comprehensive income for the year	1,119,874	1,885,006
Attributable to:		
Equity holders of the Company	660,115	1,073,788
Non-controlling interest	459,759	811,218
	1,119,874	1,885,006
Earnings per share for profit attributable to the equity holders of the Company during the year.		
- basic and diluted (note 31)	$0.04	$0.06

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2012
Expressed in Barbados dollars

	2012 $	2011 $
Net cash generated from operations (note 32)	3,655,994	5,291,175
Cash flows from investing activities		
Purchase of property, plant and equipment (note 14)	(512,001)	(291,318)
Purchase of investments in associates (note 11)	(220,400)	(3,146,376)
Purchase of other investments (note 12)	(150,000)	(2,000)
Purchase of financial assets held for trading and held-to-maturity investments	(7,119,950)	(20,984,229)
Proceeds on disposal of property, plant and equipment	189,002	45,000
Proceeds on disposal of investment property	-	2,875,750
Proceeds on disposal of financial assets held for trading	6,398,725	12,244,985
Dividends received (note 27)	566,367	134,705
Dividends received from associates (note 11)	1,320,400	1,443,576
Net cash generated from/(used in) investing activities	472,143	(7,679,907)
Cash flows from financing activities		
Repurchase of shares (note 24)	-	(926,965)
Proceeds from issue of preference shares	1,096,875	-
Fixed income certificates payable (net)	604,919	(504,411)
Dividends paid to shareholders	(3,678,810)	(3,707,789)
Dividends paid to non-controlling interest	(270,000)	(2,662,500)
Dividends paid to preference shareholders	(292,500)	-
Registered retirement savings plan holders	5,084,105	3,234,717
Loans due to non-controlling interest	(1,096,875)	1,912,500
Loan due to associate (note 19)	20,000	640,000
Net cash generated from/(used in) financing activities	1,467,714	(2,014,448)
Net increase/(decrease) in cash and cash equivalents	5,595,851	(4,403,180)
Cash and cash equivalents - beginning of year	14,765,043	19,168,223
Cash and cash equivalents - end of year	20,360,894	14,765,043
Represented by:		
Cash at bank and in hand (note 4)	12,839,337	8,759,689
Short-term deposits (note 4)	8,244,336	6,005,354
Borrowings (note 21)	(722,779)	-
	20,360,894	14,765,043

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012
Expressed in Barbados dollars

1. General Information

The principal activities of Cave Shepherd & Co. Limited ('the Company') and its subsidiaries (together 'the Group') are retailing, provision of financial services and holding of investments.

The Company is a limited liability company incorporated and domiciled under the Laws of Barbados. The address of its registered office is 10-14 Broad Street, Bridgetown, Barbados.

The Company is listed on the Barbados Stock Exchange.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of Preparation

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property, as disclosed in Note 2(d) and financial assets at fair value through profit and loss as disclosed in Note 2(h).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2(k).

2. Summary of Significant Accounting Policies ... continued

(a) Basis of Preparation .... continued

New and amended standards adopted by the Group:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the group.

New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2012 and not early adopted:

- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

- IAS 19, 'Employee benefits', was amended in June 2011. The impact on the group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

2. Summary of Significant Accounting Policies ... continued

(a) Basis of Preparation .... continued

New standards, amendments and interpretations issued but not effective for the financial year beginning January 1, 2012 and not early adopted:

- IFRS 10, Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

  The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

- IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

2. Summary of Significant Accounting Policies ... continued

(b) Consolidation .... continued

Subsidiaries .... continued

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and Non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

These consolidated financial statements include the financial statements of the Company and its subsidiary companies:

Cave Shepherd Inc.	100%
Cave Shepherd (Cayman) Ltd.	100%
Cave Shepherd SRL	100%
Fortress Fund Managers Limited	75%
Fortress Fund Advisors Limited	75%
Fortress Insurance Company Limited	75%
Fortress Staff Share Scheme Inc.	75%
Fortress Advisory & Investment Services Ltd.	75%
Fortress Global Value Fund	75%
Cayco Ltd.	100%
Colombian Emeralds International Limited	100%

During 2011, Fortress Fund Managers Limited issued a further 600,000 common shares at $4.50 per share of which the Company purchased 510,000 shares for a total consideration of $2,295,000. This increased the Company's holding in the common shares of Fortress Fund Managers Limited from 60% to 75%.

Fortress Fund Managers Limited is authorised to issue 250,000 non- voting, redeemable, non-cumulative preference shares. During the year, Fortress issued 243,750 non-voting, redeemable, non-cumulative preference shares for the amount of $1,096,875 to the non-controlling interest of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012
Expressed in Barbados dollars

2. Summary of Significant Accounting Policies ... continued

(b) Consolidation .... continued
Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in other comprehensive income and accumulated in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The associates and interest therein are set out below:

Duty Free Caribbean (Holdings) Ltd.	40%
Duty Free Caribbean Limited	40%
DFC Services Corp.	40%
Duty Free Caribbean Emeralds (St. Lucia) Ltd.	40%
Duty Free Caribbean (Grenada) Ltd.	40%
Ashworth Limited	40%
Emerald Distributors Limited	40%
Duty Free Caribbean (Cayman) Holdings Ltd.	40%
CS Cayman Ltd.	16%
Duty Free Caribbean (Jamaica) Ltd.	40%
Duty Free Caribbean (TCI) Ltd.	40%
Duty Free Caribbean (Curacao) N.V.	40%
Colombian Emeralds International N.V.	40%
Colombian Emeralds International Limited	40%
CEI Limited	40%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012
Expressed in Barbados dollars

2. Summary of Significant Accounting Policies ... continued

(b) Consolidation .... continued
Associates .... continued

The associates and interest therein are set out below:

Deltamar N.V.	40%
DFC (USVI) Ltd.	40%
DFC Investments Ltd.	40%
Amoro Holdings Ltd.	20%
Caribworld Inc.	20.4%
Caribworld (Trinidad) Ltd.	20.4%
Carib Home Shopping Ltd.	20.4%
Bridgetown Cruise Terminals Inc.	20%
DGM Holdings (Canada) Inc.	40%
DGM Bank & Trust Inc.	40%
DGM Trust Corporation	40%
DGM Insurance Holdings Corporation	40%
DGM Insurance Corporation	40%
DGM Securities Limited	40%
Fowling Overseas Ltd.	40%
Breakwater Management Services Limited	40%
DGM Captive Management Inc.	40%
GCS Limited	40%
CSGK Finance (Holdings) Limited	40%
Signia Financial Group Inc.	40%
CS&C Joint Venture	16%
The Sunset Joint Venture	16%
Franchise Services Corporation	25%
The Perfect Time Ltd.	25%
Caribbean Trade Logistics Advisors Inc.	44%
Contonou Shores Ltd.	35%
FSSB Inc.	18.75%

During 2011, the following amalgamations occurred in the Duty Free Caribbean (Holdings) Ltd. Group:

- Duty Free Caribbean Limited and Colombian Emeralds International (Barbados) Limited
- Duty Free Caribbean (Grenada) Ltd. and Colombian Emeralds International (Grenada) Limited
- Colombian Emeralds International Limited and Cave Shepherd (St. Lucia) Ltd.
- Duty Free Caribbean Emeralds (St. Lucia) Ltd. and Duty Free Caribbean (St. Lucia) Ltd.
- Emerald Distributors Ltd. and YCJ Distributors Ltd.

2. Summary of Significant Accounting Policies ... continued

(c) Revenue Recognition

Revenue earned by the Group is recognised on the following basis:

- Interest income
  Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

- Commission (factoring) income
  Commission income on credit cards is recognised on an accrual basis upon generation of sales through merchants, mainly Duty Free Caribbean.

- Dividend income
  Dividend income is recognised when the right to receive payment is established.

- Management fee income
  Management fee income of Fortress Fund Managers Limited is recognised based on the actual net asset values of the Funds it manages. As Fortress Fund Managers Limited is the manager of all the Funds, a percentage of the management fees are refunded to avoid double charging on assets invested between the Funds. The refund is based on the net asset value of the investments calculated monthly and payable in arrears.

- Sales of goods - retail
  Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue includes credit card fees payable for the transaction. Such fees are included in distribution costs.

(d) Investment Property

Investment Property is held for long-term rental yields and capital appreciation and is not substantially occupied by the Group. Investment Property is treated as a long-term investment and is carried at fair value, representing market value as determined by the Board of Directors. Under IFRS 40 – 'Investment Property', changes in fair value are recorded in the consolidated statement of comprehensive income.

2. Summary of Significant Accounting Policies ... continued

(e) Property, Plant & Equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Furniture and Equipment	3 to 5 years
Motor Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

(f) Accounts Receivable

Receivables from credit card holders are carried at anticipated realisable value. A provision for impairment of credit card receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of comprehensive income. The credit risk of the receivables portfolio is assumed by the Company. The discount fee on these receivables is included in the consolidated statement of comprehensive income when earned.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on an average basis. Net realisable value is the price at which inventories can be realised in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow-moving and defective inventories. Consignment inventory has been included in inventories in the consolidated balance sheet and the corresponding liability has been included in payables in the consolidated balance sheet.

(h) Financial Assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the investments are acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

2. Summary of Significant Accounting Policies ... continued

(h) Financial Assets ... continued

Financial assets at fair-value through profit and loss

This category has two sub-categories: 'financial assets held for trading', and those 'designated at fair value through profit or loss at inception'. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables', 'due by associates' and 'loans due by associate' in the consolidated balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the entity has the positive intention and ability to hold to maturity. All financial assets held-to-maturity are initially recognised at fair value and are subsequently carried at amortised cost. The Group's held-to-maturity investment relates to a Government of Barbados Bond of $965,027 (2011 - $959,315) that carries a coupon rate of 7.25% (2011 - 7.25%) and is expected to mature in 2025.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of comprehensive income. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the consolidated statement of comprehensive income in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the consolidated statement of comprehensive income.

2. Summary of Significant Accounting Policies ... continued

(i) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The fair value of the Group's financial assets and liabilities with non-related parties are not materially different to their carrying amounts. The fair value of the Group's financial assets and liabilities with related parties that are interest-free are not materially different to their carrying amounts given the short term nature of these balances.

(j) Current and Deferred Income Taxes

The tax expense comprises current and deferred taxes. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which appropriate tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of Significant Accounting Policies ... continued

(k) Critical Accounting Estimates and Assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policies stated in Notes 2(n) and 2(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

- **Income taxes**

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

- **Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

- **Fair value of financial instruments that are not traded**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

- **Investment properties**

The Group utilises Director's judgement to determine fair value of its investment properties taking into account inputs from professional valuers. Valuations are determined through the application of valuation methods which are sensitive to the underlying assumptions chosen.

2. Summary of Significant Accounting Policies ... continued

(l) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Barbados dollars, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items are included in the consolidated statement of comprehensive income.

Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting differences are recognised in the consolidated statement of comprehensive income.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the consolidated balance sheet.

(n) Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2. Summary of Significant Accounting Policies ... continued

(n) Intangible Assets ... continued

Management Contracts

Management contracts acquired in a business combination are recognised at their estimated fair values at the acquisition date. The management contracts have a finite useful life and are carried at estimated realisable value less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of the management contracts.

(o) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(p) Employee Benefits

Pension Plan Valuation

The Group operates both defined benefit and defined contribution pension plans for the employees. A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liability recognised in the consolidated balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives. Past service costs are recognised immediately to income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

For defined contribution plans, the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2. Summary of Significant Accounting Policies ... continued

(p) Employee Benefits ... continued

Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's average share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

The granting by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

The Fortress Group operates a staff share scheme which allows its employees to indirectly hold shares in that company. Employees can purchase shares in Fortress Staff Share Scheme Inc. at a discounted price to the calculated fair value of the shares. Employees can redeem shares previously purchased at the end of each financial year, at the fair value determined as at that date. As the shares are redeemable at the option of the employees they have been classified as financial liabilities and carried at fair value. As the fair value of the shares is determined on an annual basis, the difference is charged or credited to the consolidated statement of comprehensive income with a corresponding adjustment to the financial liability.

2. Summary of Significant Accounting Policies ... continued

(q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(r) Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(s) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(t) Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(u) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(v) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared by the Company's directors.

(w) Due to registered retirement savings plans holders

The Group sells registered retirement savings plans through the subsidiary, Fortress Insurance Company Limited. The liability to the plan holders is classified as a long term liability. Through the plan, options holders can invest in the Fortress Caribbean Pension Fund, the Fortress Mutual Fund and the Fortress Caribbean High Interest Fund. As a result, the value of the long term liability is dependent on the fair value of these underlying financial assets. The Group charges an annual administration fee for each plan. This fee is waived for the first two years of holding a plan.

Expressed in Barbados dollars

2. Summary of Significant Accounting Policies ... continued

(x) Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases (net of any incentive received from the lessor) are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease.

(y) Redeemable preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of comprehensive income as redeemable preference shared dividends to non-contolling interest.

3. Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, (which includes price risk, currency risk and interest rate risk), credit risk and liquidity risk in the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(a) Market risk

(i) Price Risk

The Group is exposed to market price risk arising primarily from changes in equity prices. To manage this risk the Group holds a diversified portfolio of investments in accordance with its investment policy. As at December 31, 2012, 73% (2011-52%) of financial assets held for trading comprise investments in other funds that have been fair valued in accordance with the policies set out in note 2(i).

Sensitivity

The effects of an across the board 10% change in equity prices of the Group's financial assets held for trading and at fair value through profit or loss are set out below:

	Carrying Value $	Effect of 10% change at December 31, 2012 $
Listed on Caribbean stock exchanges and markets	3,106,941	310,694
Listed on foreign stock exchanges and markets	7,496,804	749,680
Unlisted securities	20,053,836	2,005,384
	30,657,581	3,065,758

	Carrying Value $	Effect of 10% change at December 31, 2011 $
Listed on Caribbean stock exchanges and markets	3,604,217	360,422
Listed on foreign stock exchanges and markets	12,474,736	1,247,474
Unlisted securities	13,503,356	1,350,336
	29,582,309	2,958,232

Expressed in Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk ...continued

(ii) Interest rate risk

The majority of the Group's interest bearing financial assets and liabilities are short-term deposits, credit card receivables, loans due by associates and fixed income certificates payable. Except for short-term deposits, interest is charged on these financial assets and liabilities at fixed rates. As a result the Group is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Group has a material interest-bearing asset in trade receivables which arises through its credit card operation. Interest is charged on all unpaid balances that are 30 days and older. Interest is charged at a fixed rate in line with industry standards. The nature of the credit card industry is such that interest rates show little variation and are stable in nature; as a result the Group is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The table below summaries the Group's exposure to interest rate risk. It includes the Group's financial assets and liabilities categorised by the earlier of contractual re-pricing or maturity dates.

At December 31, 2012	0-5 years $	Over 5 years $	Non-interest bearing $	Total $
Financial assets				
Cash and cash equivalents	8,244,336	-	12,839,337	**21,083,673**
Financial assets held for trading	-	-	30,325,201	**30,325,201**
Trade and other receivables	17,829,768	-	1,616,630	**19,446,398**
Due by associates	2,960,000	-	7,611,462	**10,571,462**
Financial assets at fair value through profit and loss	-	-	332,380	**332,380**
Held-to-maturity investments	-	965,027	-	**965,027**
Loans due by associate	4,600,000	-	-	**4,600,000**
Total financial assets	33,634,104	965,027	52,725,010	**87,324,141**
Financial liabilities				
Borrowings	722,779	-	-	**722,779**
Trade and other payables	-	-	3,044,100	**3,044,100**
Due to associates	-	-	7,676,060	**7,676,060**
Due to affiliates	-	-	2,360,851	**2,360,851**
Long term loan due to associate	640,000	-	20,000	**660,000**
Loans due to non-controlling interest	815,625	-	-	**815,625**
Fixed income certificates payable	19,654,464	-	-	**19,654,464**
Dividends payable to preference shareholders	-	-	336,375	**336,375**
Due to registered retirement savings plans holders	-	-	14,464,847	**14,464,847**
Total financial liabilities	21,832,868	-	27,902,233	**49,735,101**
Total interest sensitivity gap	11,801,236	965,027	24,822,777	**37,589,040**

Expressed in Barbados dollars

3. Financial Risk Management ...continued

(a) Market risk ...continued

(ii) Interest rate risk ... continued

At December 31, 2011	0-5 years $	Over 5 years $	Non-interest bearing $	Total $
Financial assets				
Cash and cash equivalents	6,005,354	-	8,759,689	14,765,043
Financial assets held for trading	-	-	29,399,929	29,399,929
Trade and other receivables	16,943,469	-	1,759,431	18,702,900
Due by associates	3,000,000	-	6,813,333	9,813,333
Financial assets at fair value through profit and loss	-	-	182,380	182,380
Held-to-maturity investments	-	959,315	-	959,315
Loans due by associate	4,720,000	1,080,000	-	5,800,000
Total financial assets	30,668,823	2,039,315	46,914,762	79,622,900
Financial liabilities				
Trade and other payables	-	-	5,036,194	5,036,194
Due to associates	-	-	8,039,737	8,039,737
Due to affiliates	-	-	2,223,133	2,223,133
Long term loan due to associate	640,000	-	-	640,000
Loans due to non-controlling interest	1,912,500	-	-	1,912,500
Fixed income certificates payable	19,049,545	-	-	19,049,545
Due to registered retirement savings plans holders	-	-	8,886,566	8,886,566
Total financial liabilities	21,602,045	-	24,185,630	45,787,675
Total interest sensitivity gap	9,066,778	2,039,315	22,729,132	33,835,225

(iii) Currency risk

The Group holds financial assets denominated in currencies other than Barbados dollars, the functional currency of the Group. Consequently, except where assets and liabilities are denominated in currencies fixed to the Barbados dollar, the Group is potentially exposed to currency risk. The Group has no significant exposure to currency risk as the foreign currencies within the Group do not fluctuate noticeably against the Barbados dollar. The Group's policy is not to enter into any hedging transactions to mitigate currency risk.

Expressed in Barbados dollars

3. Financial Risk Management ...continued

(b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment entered into with the Group.

The maximum exposure of the Group to the credit risk is set out in the following table:

	2012	2011
	$	$
Cash and cash equivalents	**21,083,673**	14,765,043
Trade and other receivables	**19,446,398**	18,702,900
Due by associates	**10,571,462**	9,813,333
Held-to-maturity investments	**965,027**	959,315
Loans due by associate	**4,600,000**	5,800,0000
	56,666,560	50,040,591

Significant amounts of cash at bank and short-term deposits are maintained with CIBC FirstCaribbean International Bank.

All trade receivable customers are rated by credit management who assesses the credit quality of the customer, taking into account financial position, past experience and other factors. Individual risk limits are set based on internal or external information in accordance with limits set by the board. The utilisation of credit limits and payments on account are regularly monitored. Credit limits may be adjusted upwards if management is satisfied with account performance. Risk Management utilises sophisticated reporting to constantly monitor account performance minimising default loss. All impaired or possible doubtful amounts are provided for and no loss beyond these provisions is anticipated.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has delivered payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The Group's exposure to individual counterparty credit risk on its significant amounts of cash and cash equivalents is set out below:

	2012	2011
	$	$
Cash and cash equivalents		
CIBC FirstCaribbean International Bank (Unrated)	**16,078,541**	13,631,700
Morgan Stanley Private Wealth Management (A/A-1 by Standard and Poor's)	**4,605,195**	701,530
	20,683,736	14,333,230

Expressed in Barbados dollars

3. Financial Risk Management ...continued

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close market positions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amount, as the impact of discounting is not significant.

December 31, 2012	0-3 months $	4 months - 5 years $	Over 5 years $	Total $
Borrowings	-	722,779	-	722,779
Trade and other payables	3,044,100	-	-	3,044,100
Due to associates	7,676,060	-	-	7,676,060
Due to affiliates	2,360,851	-	-	2,360,851
Loan due to associate	-	679,800	-	679,800
Loans due to non-controlling interest	-	893,517	-	893,517
Fixed income certificates payable	-	21,128,549	-	21,128,549
Due to registered retirement savings plan holders	-	-	14,464,847	14,464,847
Dividend payable	1,839,405	-	-	1,839,405
Dividends payable to preference shareholders	-	336,375	-	336,375
	14,920,416	23,761,020	14,464,847	53,146,283

December 31, 2011	0-3 months $	4 months - 5 years $	Over 5 years $	Total $
Trade and other payables	5,036,194	-	-	5,036,194
Due to associates	8,039,737	-	-	8,039,737
Due to affiliates	2,223,133	-	-	2,223,133
Loan due to associate	-	659,200	-	659,200
Loans due to non-controlling interest	-	2,095,144	-	2,095,144
Fixed income certificates payable	-	20,478,261	-	20,478,261
Due to registered retirement savings plan holders	-	-	8,886,566	8,886,566
Dividend payable	1,839,405	-	-	1,839,405
	17,138,469	23,232,605	8,886,566	49,257,640

3. Financial Risk Management ...continued

(c) Liquidity risk ... continued

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The gearing ratios at December 31, 2012 and December 31, 2011 were 0.69% and 5.68% respectively.

Fair value estimation

Effective January 1, 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset that are not based on observable market data (Level 3).

Expressed in Barbados dollars

3. Financial Risk Management ...continued

Fair value estimation ...continued

The following table presents the Group's assets that are measured at fair value at December 31, 2012:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held for trading	7,575,180	22,750,021	-	**30,325,201**
Financial assets at fair value through profit and loss	-	-	332,380	**332,380**
	7,575,180	22,750,021	332,380	**30,657,581**

The following table presents the Group's assets that are measured at fair value at December 31, 2011:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held for trading	13,549,687	15,850,242	-	**29,399,929**
Financial assets at fair value through profit and loss	-	-	182,380	**182,380**
	13,549,687	15,850,242	182,380	**29,582,309**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There have been no transfers between Level 1 and Level 2 instruments during the year.

The following table presents the changes in Level 3 instruments for the year ended December 31, 2012. Level 3 instruments are financial assets designated at fair value through profit and loss at inception and represents the Group's investments in unquoted equity securities.

Expressed in Barbados dollars

3. Financial Risk Management ...continued

Fair value estimation ...continued

	2012	2011
	$	$
At the beginning of the year	182,380	218,275
Categorisation as Level 3	150,000	2,000
Gains and losses recognised in consolidated statement of comprehensive income	-	(37,895)
At the end of the year	332,380	182,380

In 2009, the Group categorised its investments in unquoted equity securities as Level 3 financial instruments. These investments are mainly in privately held entities whose valuation is not based on observable market inputs. The fair values of these financial assets at December 31, 2012 are not materially different from their fair values at December 31, 2011 and therefore no gain or loss was recognised in the consolidated statement of comprehensive income during the year. However in 2011, an unrealized loss of $37,895 was recognized in the consolidated statement of comprehensive income (note 12).

4. Cash and Cash Equivalents

	2012	2011
	$	$
Cash at bank and in hand	12,839,337	8,759,689
Short-term deposits	8,244,336	6,005,354
	21,083,673	14,765,043

Short-term deposits comprise deposits with a commercial bank and another financial institution.

The interest rate on short-term deposits with the commercial bank was 0.02% to 2.50% (2011 - 0.02% to 2.50%). These deposits have an average maturity of 14 days (2011 - 14 days). Short-term deposits with the financial institution were in a US daily dollar account with an interest rate of 0.05% to 0.20% (2011 - 0.05% to 0.20%). The funds in this account are used to invest in equity securities in foreign stock exchanges.

5. Financial Assets held for Trading

Included within financial assets held for trading of $30,325,201 (2011 - $29,399,929) is an amount of $22,185,021 (2011 - $15,350,242), which represents investment in mutual funds managed by a subsidiary.

Changes in fair values of financial assets held for trading are recorded in the consolidated statement of comprehensive income (note 27).

The fair value of all equity securities is based on their current bid prices on their respective Stock Exchanges at the year end.

A portion of financial assets held for trading of $14,464,847 (2011 - $8,886,566) is pledged to registered retirement savings plan holders (note 20).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

6. Trade and Other Receivables and Prepayments

	2012	2011
	$	$
Credit card receivables	20,588,550	19,643,846
Less: provision for impairment	(2,758,782)	(2,700,377)
Credit card receivables - net	17,829,768	16,943,469
Other receivables	1,466,681	1,605,336
Corporation tax recoverable	149,949	154,095
Prepayments	446,401	443,213
	19,892,799	19,146,113

Credit card receivables are purchased at a discount rate from merchants, including an associate.

As of December 31, 2012, trade receivables of $16,764,925 (2011 - $15,819,485) were fully performing.

Trade receivables arise through the issue of credit through the credit card operations. Credit is issued on a revolving basis and ageing of accounts is monitored with reference to the number of days the minimum payment is past due. As of December 31, 2012, trade receivables of $1,064,843 (2011 - $1,123,984) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2012	2011
	$	$
Up to 3 months	1,042,222	1,087,578
3 to 6 months	20,018	10,527
Over 6 months	2,603	25,879
	1,064,843	1,123,984

As of December 31, 2012, trade receivables of $2,758,782 (2011 - $2,700,377) were impaired and fully provided for. The ageing of these receivables is as follows:

	2012	2011
	$	$
Up to 3 months	46,704	19,709
3 to 6 months	249,073	244,756
Over 6 months	2,463,005	2,435,912
	2,758,782	2,700,377

Expressed in Barbados dollars

6. Trade and Other Receivables and Prepayments ... continued

Movements on the Group provision for impairment of trade receivables are as follows:

	2012 $	2011 $
Beginning of year	**2,700,377**	2,589,346
Provision for receivables impairment	**1,590,800**	1,361,207
Amounts recovered	**(1,508,380)**	(1,215,480)
Receivables written off during the year as uncollectible	**(24,015)**	(34,696)
End of year	**2,758,782**	2,700,377

The creation and release of provisions for impaired receivables have been included in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables are neither past due nor impaired.

The Group does not hold any material collateral as security.

7. Inventories

	2012 $	2011 $
Merchandise	-	3,308,944
Consignment	-	1,536,952
	-	4,845,896

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $1,746,462 (2011 - $2,652,588).

During the year, the Colombian Emeralds operations in Tortola was closed.

8. Due by/to Associates

An amount of $2,960,000 (2011 - $3,000,000) included in due by associates bears interest at rates between 4.27% and 5.93% (2011 - 4.27%) per annum (see note 15 for terms). All other amounts are interest free, unsecured and have no stated terms of repayment.

During 2011, an amount of $1,120,000 due by an associate was written back in the financial statements. In 2010, an amount of $1,120,000 due by the same associate was fully provided for. The amount was written back in 2011 since the circumstances that resulted in the provision in 2010 were reversed.

Goods are purchased from associates on normal commercial terms and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012
Expressed in Barbados dollars

9. Due to Affiliates

The amounts due to affiliates are interest free, unsecured and have no stated terms of repayment.

10. Trade and Other Payables

	2012	2011
	$	$
Trade and other payables	3,044,100	3,499,242
Consignment payables	-	1,536,952
	3,044,100	5,036,194

During 2008, the Fortress Group established a staff share scheme for employees. Included in trade and other payables is a balance of $189,462 (2011 - $161,967) which relates to 325,308 (2011 - 288,177) non-voting redeemable shares in Fortress Staff Share Scheme issued to employees of that company.

11. Investments in Associates

Movement in investments in associates is as follows:	2012	2011
	$	$
At the beginning of the year	69,513,032	66,757,003
Acquisitions	220,400	3,146,376
	69,733,432	69,903,379
Dividends received	(1,320,400)	(1,443,576)
Share of results before tax	1,328,531	2,302,262
Share of tax	(542,463)	(1,249,033)
Share of results, net of tax	786,068	1,053,229
At the end of the year	69,199,100	69,513,032

During the year, the Group made additional investments in DGM Captive Management Inc. for $20,400 and Breakwater Management Services Limited of $200,000.

During 2011, the Group purchased a 35% interest in Contonou Shores Ltd. for a total consideration of $3,002,376. The Group also made an additional investment in DGM Insurance Holdings Corporation for $100,000 and a 44% investment in Caribbean Trade Logistics Advisors for $44,000.

During 2008, the Company purchased a 40% interest in DGM Holdings (Canada) Inc. ("DGM"), an offshore investment bank, for $11,599,200. Included in this investment is goodwill of $4,456,687. The operations of DGM have been accounted for under the equity basis of accounting from September 1, 2008. The Company is committed to purchase another 20% of DGM after six years from September 1, 2008 at an agreed valuation formula as set out in the purchase agreement.

The Group considers CS&C Joint Venture and The Sunset Joint Venture as associates as it has significant influence over these companies through representation on their Boards of Directors.

Expressed in Barbados dollars

11. Investments in Associates ... continued

The Group's interest in its principal associates, all of which are unlisted, are as follows:

Name	Country of incorporation	Assets $	Liabilities $	Revenues $	Profit/(loss) after tax $	% Interest held
2012						
Duty Free Caribbean (Holdings) Ltd.	Barbados	85,250,277	47,755,238	92,082,448	(1,825,240)	40%
Bridgetown Cruise Terminals Inc.	Barbados	1,061,067	194,330	1,116,919	241,841	20%
GCS Limited	Barbados	1,607,031	2,131,733	3,075,051	64,483	40%
CSGK Finance (Holdings) Limited	Barbados	67,262,282	57,948,690	6,783,159	1,189,588	40%
CS&C Joint Venture	Barbados	11,841,391	2,659,075	932,974	706,285	16%
The Sunset Joint Venture	Barbados	1,599,545	661,746	177,320	131,418	16%
DGM Holdings (Canada) Inc.	Canada	18,462,868	10,574,037	3,183,492	263,208	40%
Franchise Services Corp/ The Perfect Time Ltd.	Barbados	1,081,818	26,330	93,806	67,322	25%
Contonou Shores Ltd.	Bahamas	3,002,376	-	-	-	35%
Other		86,155	104,531	307,657	(52,837)	
		191,254,810	122,055,710	107,752,826	786,068	
2011						
Duty Free Caribbean (Holdings) Ltd.	Barbados	87,006,218	47,685,939	102,363,535	(577,705)	40%
Bridgetown Cruise Terminals Inc.	Barbados	1,203,266	278,370	1,243,919	338,617	20%
GCS Limited	Barbados	1,374,558	1,963,743	2,916,001	(589,185)	40%
CSGK Finance (Holdings) Limited	Barbados	64,095,438	55,471,434	6,554,812	669,691	40%
CS&C Joint Venture	Barbados	11,750,762	3,274,731	1,053,610	789,712	16%
The Sunset Joint Venture	Barbados	1,466,166	659,785	127,424	84,122	16%
DGM Holdings (Canada) Inc.	Canada	31,051,694	23,626,071	3,753,492	299,011	40%
Franchise Services Corp/ The Perfect Time Ltd.	Barbados	1,496,734	8,568	122,154	63,406	25%
Contonou Shores Ltd.	Bahamas	3,002,376	-	-	-	35%
Other		210,426	175,965	114,737	(24,440)	
		202,657,638	133,144,606	118,249,684	1,053,229	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

12. Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit and loss comprise the following:

	2012	2011
	$	$
At the beginning of the year	182,380	218,275
Acquisitions	150,000	2,000
Revaluation to market	-	(37,895)
At the end of the year	332,380	182,380

Financial assets at fair value through profit and loss are fair valued annually.

The Group's financial assets at fair value through profit and loss at the end of 2012 mainly comprise its investment in privately held entities. The fair values of these financial assets at December 31, 2012 are not materially different from their fair values at December 31, 2011 and therefore no gain or loss was recognised in the consolidated statement of comprehensive income during the year. However in 2011, an unrealized loss of $37,895 was recognized in the consolidated statement of comprehensive income.

During the year, the Company purchased an investment in RE Power Barbados Inc. for $150,000.

13. Intangible Assets and Goodwill

Details of intangible assets and goodwill are as follows:

	Management Contracts
	$
At December 31, 2011	
Cost	8,444,000
Accumulated amortisation and impairment	(3,025,767)
Net book value	5,418,233
At December 31, 2012	
Cost	8,444,000
Accumulated amortisation and impairment	(3,870,167)
Net book value	4,573,833

Expressed in Barbados dollars

13. Intangible Assets and Goodwill ... continued

Movement of intangible assets and goodwill is as follows:

	Management Contracts $
Beginning of year - December 31, 2010	6,262,633
Amortisation of intangible asset	(844,400)
End of year - December 31, 2011	5,418,233

	Management Contracts $
Beginning of year - December 31, 2011	5,418,233
Amortisation of intangible asset	(844,400)
End of year - December 31, 2012	4,573,833

Management contracts included in intangible assets relate to contracts held by Fortress Fund Managers Limited in the various Funds. These intangibles are being amortised over a period of ten years. Amortisation during the year was $844,400 (2011 - $844,400), of which $211,100 (2011 - $337,760) relates to the share of non-controlling interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012
Expressed in Barbados dollars

14. Property, Plant and Equipment

	Furniture & Equipment	Motor Vehicles	Total
At January 1, 2011			
Cost	4,399,226	949,348	5,348,574
Accumulated depreciation	(3,416,290)	(646,723)	(4,063,013)
Net book value	982,936	302,625	1,285,561
Year ended December 31, 2011			
Opening net book value	982,936	302,625	1,285,561
Additions	144,761	146,557	291,318
Disposals	(273)	(45,264)	(45,537)
Depreciation charge	(404,875)	(114,052)	(518,927)
Closing net book value	722,549	289,866	1,012,415
At December 31, 2011			
Cost	4,508,502	835,046	5,343,548
Accumulated depreciation	(3,785,953)	(545,180)	(4,331,133)
Net book value	722,549	289,866	1,012,415
Year ended December 31, 2012			
Opening net book value	722,549	289,866	1,012,415
Additions	411,647	100,354	512,001
Disposals	(48,550)	-	(48,550)
Depreciation charge	(354,007)	(109,977)	(463,984)
Closing net book value	731,639	280,243	1,011,882
At December 31, 2012			
Cost	4,920,149	850,913	5,771,062
Accumulated depreciation	(4,188,510)	(570,670)	(4,759,180)
Net book value	731,639	280,243	1,011,882

Expressed in Barbados dollars

15. Loans due by Associate

During 2008, the Group advanced $10,400,000 to the Duty Free Caribbean group for the purchase of the operations and to assist with the working capital of Colombian Emeralds' distribution and logistics centre in Ft. Lauderdale, USA. The loans are unsecured, bear interest at rates between 4.27% and 5.93% (2011 – 4.27%) and are repayable at varying amounts between 2011 and 2022. During 2012, $1,240,000 of these loans were repaid by the Duty Free Caribbean group. The current portion of the loans amounting to $2,960,000 (2011 - $3,000,000), has been included in Due by Associates in current assets on the consolidated balance sheet (note 8).

16. Pension Plan Surplus

The Group has established two types of pension schemes: a contributory defined benefit pension plan and a defined contribution plan. The assets of the defined benefit pension plan are primarily invested in a mutual fund managed by Fortress Fund Managers Limited. This pension plan is valued by independent actuaries every three years using the Projected Unit Credit Method. There is an interim valuation carried out by independent actuaries every year.

The plan is integrated with the National Insurance Scheme (NIS) and will provide a member retiring after 38 years of pensionable service with a pension of two-thirds of their final three years average pensionable earnings when combined with the NIS pension.

The amounts recognised in the consolidated balance sheet are as follows:

	2012 $	2011 $
Fair value of plan assets	**11,703,965**	12,196,391
Present value of funded obligations	**(9,008,892)**	(9,150,634)
	2,695,073	3,045,757
Unrecognised actuarial gains	**(247,521)**	(309,401)
Unrecognised asset	**(1,345,192)**	(1,831,164)
Asset in the consolidated balance sheet	**1,102,360**	905,192

The unrecognised asset of $1,345,192 (2011 - $1,831,164) has not been recognised in the consolidated balance sheet because in accordance with IAS 19, this asset can only be recognised if it can be utilised by the Company.

Expressed in Barbados dollars

16. Pension Plan Surplus ...continued

The movement in the defined benefit obligation is as follows:

	2012 $	2011 $
Present value of funded obligations at start of year	9,150,634	9,252,691
Interest cost	625,931	655,287
Current service cost	52,865	92,549
Past service cost - vested benefits	-	504
Benefits paid	(1,139,940)	(613,604)
Actuarial loss/(gain) on obligation	319,402	(236,793)
Present value of funded obligations at end of year	9,008,892	9,150,634

The movement in the fair value of plan assets is as follows:

	2012 $	2011 $
Fair value of plan assets at start of year	12,196,391	12,586,622
Expected return on plan assets	843,669	891,272
Contributions - total	20,795	27,172
Benefits paid	(1,139,940)	(613,604)
Actuarial loss on obligation	(216,950)	(695,071)
Fair value of plan assets at end of year	11,703,965	12,196,391

Breakdown of plan assets are as follows:

	2012	2011
Equity instruments	92%	84%
Debt instruments	8%	16%

The Plan assets are entirely invested in shares of the Company and units of funds of an affiliate.

Expressed in Barbados dollars

16. Pension Plan Surplus ...continued

The amounts recognised in the consolidated statement of comprehensive income are as follows:

	2012	2011
	$	$
Current service cost	32,071	65,377
Interest costs	625,931	655,287
Expected return on plan assets	(843,672)	(891,272)
Net actuarial losses recognised in the year	474,472	380,928
Reduction in unrecognised asset	(485,970)	(212,270)
Net amount recognised in the consolidated statement of comprehensive income in payroll costs	(197,168)	(1,950)
Actual return on plan assets	626,719	196,201

The movement in the asset recognised in the consolidated balance sheet is as follows:

	2012	2011
	$	$
Net asset - beginning of year	905,192	903,242
Net credit recognised in the consolidated statement of comprehensive income	197,168	1,950
Net asset - end of year	1,102,360	905,192

Principal actuarial assumptions used for accounting purposes are as follows:

	2012	2011
Discount rate	7.25%	7.25%
Expected return on plan assets	7.25%	7.25%
Future salary increases – inflationary	3.75%	3.75%
Future salary increases – promotional	2.50%	2.50%
Future pension increases	2.75%	2.75%
Proportion of employees opting for early retirement	0.00%	0.00%
Future changes in NIS ceiling	3.75%	3.75%
Mortality	UP94-AA	GAM94
Termination of active members	Nil	Nil
Ealy retirement	Nil	Nil
Future expenses	Nil	Nil

Expected contributions to post-employment benefit plans for the year ending December 31, 2013 amount to $14,765.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012
Expressed in Barbados dollars

16. Pension Plan Surplus ...continued
The amounts for the current and previous four periods are as follows:

	2012 $	2011 $	2010 $	2009 $	2008 $
Defined benefit obligations	**(9,008,892)**	(9,150,634)	(9,252,691)	(9,469,359)	(9,692,131)
Plan assets	**11,703,965**	12,196,391	12,586,622	13,188,267	13,399,724
Surplus	**2,695,073**	3,045,757	3,333,931	3,718,908	3,707,593
Experience adjustments on plan liabilities	**(8,139)**	236,793	310,526	359,528	778,468
Experience adjustments on plan assets	**(216,950)**	(695,071)	(893,202)	(536,106)	(1,397,268)

17. Fixed Income Certificates Payable
The Fixed Income Certificates Payable will mature on June 30, 2014, bear interest at 5.00% to 5.25% (2011 - 5.00% to 5.25%) per annum and have the option of being renewed at the end of June 2013 for a further two years.

18. Loans Due to Non-controlling Interest
Loans due to non-controlling interest are unsecured, have no stated terms of repayment and bear interest at a rate of 9.55% (2011 - 9.55%) per annum. This represents amounts due to the minority shareholders of a subsidiary.

19. Loan Due to Associate
During the year, the Group borrowed $20,000 from DGM Bank & Trust Inc bringing the total loans on the balance sheet to $660,000. These loans are unsecured, bears interest at a rate of 3.0% (2011 - 3%) per annum with $640,000 being repayable in full on March 31, 2014 and $20,000 repayable in full on March 31, 2015.

20. Due to Registered Retirement Savings Plan Holders
The amount due to registered retirement savings plan holders is set out below:

	2012 $	2011 $
Fortress Select Fund Option	**3,653,960**	2,504,279
Fortress Managed Option	**10,810,887**	6,382,287
	14,464,847	8,886,566

These liabilities are secured by 'Financial Assets held for Trading' of $14,464,847 (2011 - $8,886,566), (note 5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

21. Borrowings

The Group has an overdraft facility of $3.5 million which at the balance sheet date was utilised at $722,779 (2011 - $Nil).

22. Redeemable preference shares

Fortress Fund Managers Limited is authorised to issue 250,000 non-voting, redeemable, non cumulative preference shares. The shares are redeemable at the option of Fortress at $4.50 per share and must be redeemed by December 31, 2021. During the year, Fortress issued 243,750 non-voting, redeemable, non cumulative preference shares for the amount of $1,096,875 to the non-controlling interest of Fortress.

23. Deferred Taxation

The deferred tax liability on the balance sheet consists of the following:

	2012 $	2011 $
Accelerated tax depreciation	5,480	5,361

Deferred tax assets of $1,491,762 (2011 - $1,457,652) are not recognised for tax loss carry-forwards in some Group companies as the realisation of the related tax benefits through future taxable profits is not probable.

Tax loss carry-forwards amounting to $7,106,134, which have expiry dates ranging between 2013 and 2019, have not been recognised in these consolidated financial statements.

24. Share Capital

	2012		2011	
	No. of shares	$	No. of shares	$
Authorised				
The Company is authorised to issue an unlimited number of common shares of no par value				
Issued				
Beginning of year	18,358,098	38,689,673	18,558,985	39,113,043
Repurchased during the year	-	-	(200,887)	(423,370)
End of year	18,358,098	38,689,673	18,358,098	38,689,673

During 2011, the Company repurchased 200,887 shares for a total consideration of $926,965 of which $503,595 was eliminated against the retained earnings and $423,370 against share capital. No repurchase of shares was made in 2012.

Expressed in Barbados dollars

25. Share Based Payment

During 2009 the shareholders approved an Employee Share Option Plan (ESOP) for key management employees within the Group. The Plan covers the issue of up to 900,000 shares over five years. During the year, share options were granted. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. The options are exercisable in three equal tranches with the first tranche being immediately upon being granted, the second tranche after one year and the third tranche after two years from the date of grant. The options have a contractual option term of five years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2012		2011	
	Average excercise price per share option	Options	Average exercise price per share option	Options
Outstanding at beginning of year	4.48	151,000	-	-
Granted	4.60	146,000	4.48	151,000
Exercised	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Outstanding at end of year	4.54	297,000	4.48	151,000
Exercisable at end of year	4.53	248,333	4.48	100,667

Out of the 297,000 outstanding options (2011 - 151,000), 248,333 options (2011 - 100,667) were exercisable. There were no options exercised during the year.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

			Shares	
Grant-vest	Expiry date	Exercise price	2012	2011
2011-2011	2016	4.48	100,667	100,667
2011-2012	2017	4.48	50,333	50,333
2012-2012	2018	4.60	97,333	-
2012-2013	2019	4.60	48,667	-
			297,000	151,000

The weighted average fair value of options granted during the period determined using the Binomial Pricing model was $0.59 per option (2011 - $0.52). The significant inputs into the model were weighted average share price of $4.53 (2011 - $4.48) at the grant date, exercise price shown above, volatility of 15% (2011 - 15%), dividend yield of 3% (2011 - 3%) per annum, an expected option life of 4.5 years (2011 - 4.5 years) and an annual risk-free interest rate of 6.0% (2011 - 5.5%) per annum. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last five years. A total expense of $84,145 (2011 - $52,506) is recognised in the consolidated statement of comprehensive income for share options granted during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

26. Retained Earnings

	2012 $	2011 $
Parent company	26,485,264	29,185,566
Subsidiary companies	3,707,857	4,049,596
Associated companies	38,297,609	38,274,263
	68,490,730	71,509,425

27. Revenue from Operations

	2012 $	2011 $
Sales from retail operations	2,497,066	4,619,860
Finance income	3,814,854	3,561,909
(Loss)/gain on disposal of financial assets held for trading and at fair value through profit and loss	(1,125,161)	835,333
Unrealised gain/(loss) on financial assets held for trading and at fair value through profit and loss	840,744	(2,540,642)
Dividend income	566,367	134,705
Commissions	1,680,831	1,969,835
Management fees	7,017,976	7,121,713
Miscellaneous	85,262	136,068
	15,377,939	15,838,781

28. Other Gains

	2012 $	2011 $
Gain on disposal of investment property	-	315,750
Gain/(loss) on disposal of property, plant and equipment	140,452	(537)
	140,452	315,213

29. Payroll Costs

Payroll costs comprised:

	2012 $	2011 $
Salaries	4,157,025	3,917,315
National insurance, group health and life	234,652	279,078
Pension - defined benefit plan costs	(197,168)	(1,950)
Pension - defined contribution plan costs	282,687	145,248
Employee share option expenses (note 25)	84,145	52,506
Medical	70,892	137,983
Other personnel expenses	55,629	319,668
	4,687,862	4,849,848
No. of employees	34	45

Expressed in Barbados dollars

30. Income Tax Expense

The income tax expense is comprised of the following:

	2012	2011
	$	$
Current tax on profits for the year	756,712	990,452
Deferred tax charge	119	3,486
	756,831	993,938

The tax on the loss before tax differs from the theoretical amount that would arise using the basic rate of corporation tax as follows:

	2012	2011
	$	$
Profit before taxation	1,876,705	2,878,944
Corporation tax calculated at 25.0% (2011 - 25.0%)	469,176	719,736
Effect of lower tax rate in other countries	(110,089)	148,717
Movement in deferred tax asset not recognised	50,768	(107,227)
Tax effect of items not allowed in determining taxable profit	346,976	232,712
Tax charge	756,831	993,938

31. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Parent for the year by the weighted average number of common shares in issue during the year.

	2012	2011
	$	$
Net profit attributable to the equity holders of the parent	660,115	1,073,788
Weighted average number of ordinary shares issued	18,358,098	18,474,849
Basic and diluted earnings per share	$0.04	$0.06

There are no financial instruments that could dilute the basic earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012
Expressed in Barbados dollars

32. Net Cash Generated from Operations

The reconciliation of profit before taxation to net cash generated from operations is as follows:

	2012 $	2011 $
Cash flows from operating activities		
Profit before taxation	1,876,705	2,878,944
Adjustments for:		
Depreciation (note 14)	463,984	518,927
Share of results of associates (note 11)	(786,068)	(1,053,229)
Amortisation of intangible assets (note 13)	844,400	844,400
Loss/(gain) on disposal of financial assets held for trading and at fair value through profit and loss (note 27)	1,125,161	(835,333)
Unrealised (gain)/loss on financial assets held for trading and at fair value through profit and loss (note 27)	(840,744)	2,540,642
Gain on disposal of investment property (note 28)	-	(315,750)
(Gain)/loss on disposal of property, plant and equipment (note 28)	(140,452)	537
Pension plan credit (note 16)	(197,168)	(1,950)
Employee share option plan expense (note 25)	84,145	52,506
Dividend income (note 27)	(566,367)	(134,705)
Redeemable preference shares dividends to non-controlling interest	628,875	-
Interest expense	1,215,604	1,213,484
Operating profit before working capital changes	3,708,075	5,708,473
Net change in non-cash working capital items related to operations:		
- Trade and other receivables and prepayments	(746,686)	(1,954,858)
- Inventories	4,845,896	(747,682)
- Due by associates	441,871	(2,663,820)
- Trade and other payables	(2,011,294)	1,032,280
- Due to associates	(363,677)	4,816,235
- Due to affiliates	137,718	1,338,727
Cash generated from operations	6,011,903	7,529,355
Corporation taxes paid	(1,159,505)	(1,024,696)
Interest paid	(1,196,404)	(1,213,484)
Net cash generated from operations	3,655,994	5,291,175

Expressed in Barbados dollars

33. Related Party Transactions

The following transactions were carried out with associates in the normal course of business:

	2012 $	2011 $
Interest earned	411,249	380,980
Management fees received	7,017,976	7,121,713
Factoring fees earned	772,461	773,683
Merchandise purchased	445,218	3,185,226
Processing fees paid	48,974	350,375
License fees paid	43,876	93,770

Key Management Compensation:

	2012 $	2011 $
Salaries	1,373,502	1,279,405
NIS	28,215	24,847
Medical	4,976	16,798
Pension, Group Life	71,343	69,723
Share Option Plan	40,343	20,863

In addition to disclosures on related party balances in notes 8, 9 and 15, the following Fixed Income Certificates were due to related parties:

	2012 $	2011 $
Directors and Key Management - at interest rates of 5.00% to 5.25% (2011 - 5.00% to 5.25%)	2,780,358	2,325,282

	2012 $	2011 $
Directors fees	75,000	68,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012
Expressed in Barbados dollars

34. Segmental Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board allocates resources and assesses performance of the business from the perspective of two operating segments - retail and other services. Retail includes mainly the sale of merchandise in the Caribbean. Other services include financial, rental of property, commissions on credit card operations and management fees earned.

The Board assesses the performance of the operating segments based on a measure of operating results of the segments. Investment income and net finance income are not allocated to segments.

There are no sales or other transactions between the operating segments. Segment assets consist primarily of investment property, property, plant and equipment, trade and other receivables and prepayments, inventories, balances due by associates and operating cash and excludes financial investments and pension plan surplus.

Segment liabilities comprise operating liabilities and balances due to associates and affiliates. Capital expenditure comprises additions to property, plant and equipment.

Revenue from external customers primarily arises in Barbados except for sales from retail operations of $2,497,066 (2011 - $4,619,860) that originated in Tortola, BVI. Non-current assets reside mainly in Barbados.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

34. Segmental Information ... continued

The segment information provided to the Board for the reportable segments for the year ended December 31, 2012 and December 31, 2011 is as follows:

	Retail		Services		Total	
	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$
Revenue						
Segment revenue	2,497,066	4,619,860	8,924,521	9,227,079	11,421,587	13,846,939
Finance income (note 27)					3,814,854	3,561,909
Investment income					281,950	(1,254,854)
Total Revenue					15,518,391	16,153,994
Results						
Segment results	(768,826)	(552,444)	(290,360)	2,179,544	(1,059,186)	1,627,100
Share of results of associates	(1,693,435)	(1,103,484)	2,479,503	2,156,713	786,068	1,053,229
Finance income (net)					2,599,250	2,348,425
Employee benefits					113,023	(50,556)
Dividend income (note 27)					566,367	134,705
Investment income (net)					(1,128,817)	(2,233,959)
Profit before taxation					1,876,705	2,878,944
Income tax expense					(756,831)	(993,938)
Net profit for the year					1,119,874	1,885,006
Non-controlling interest					(459,759)	(811,218)
Net profit attributable to equity holders of the Company					660,115	1,073,788

Expressed in Barbados dollars

34. Segmental Information ... continued

	Retail		Services		Total	
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $
OTHER INFORMATION						
Operating assets	11,007,430	12,944,758	46,152,386	42,438,042	57,159,816	55,382,800
Intangible assets and goodwill					4,573,833	5,418,233
Investment in associates	38,025,825	40,219,260	31,173,275	29,293,772	69,199,100	69,513,032
Unallocated corporate assets					32,724,968	31,446,816
Consolidated Corporate Assets					163,657,717	161,760,881
Operating liabilities	625,560	833,862	14,653,855	17,017,702	15,279,415	17,851,564
Unallocated corporate liabilities					37,638,444	30,424,668
Consolidated Corporate Liabilities					52,917,859	48,276,232
Capital Expenditure	-	-	512,001	291,318	512,001	291,318
Depreciation	10,320	62,168	453,664	456,759	463,984	518,927
Amortisation of intangible assets	-	-	844,400	844,400	844,400	844,400

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The amounts provided to the Board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2012

Expressed in Barbados dollars

35. Contingencies

The Company, together with its venture partner, has provided a letter of comfort to its associate, GCS Ltd., to provide financial and technical support.

36. Commitments

There are no significant capital expenditures contracted for at the balance sheet date but not yet incurred. There are no other significant commitments at the balance sheet date.

NOTES

NOTES

PROXY FORM

PROXIES: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member of the Company. For the convenience of members who may be unable to attend, a form of proxy is given below and, if used, it should be lodged at the Registered Office of the Company no later than April 23, 2013.

The distribution of this Proxy is made in compliance with the requirements of the Companies Act and is not meant to be a solicitation for proxies for or on behalf of the Management of the Company.

CAVE SHEPHERD & CO. LIMITED
COMPANY NO: 21716
PROXY
FORTY-SECOND ANNUAL GENERAL MEETING

I/We ____
(name)

shareholder(s) in the Company appoint

____ of
(name)

____ or
(address)

____ of
(name)

____
(address)

to be my / our proxy at the annual meeting
to be held on April 25, 2013 and at any adjournment(s) thereof.

Signed: ____

Date: ______________________________ 2013

2012

Cave Shepherd & Co. Ltd.

Cave Shepherd & Co. Ltd,
#24 Broad Street, Bridgetown, St. Michael, BB11000
www.caveshepherd.com