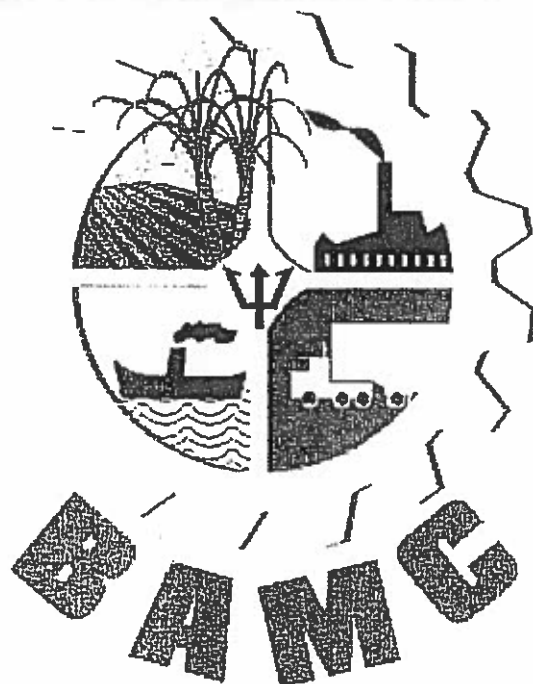


BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.



**NINETEENTH
ANNUAL REPORT
AND
ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2012**



BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

**NINETEENTH
ANNUAL REPORT
AND
ACCOUNTS**

FOR THE YEAR ENDED 30 JUNE 2012

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

REPORT AND ACCOUNTS 2012

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BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Registered and Operations Office	Warrens	Telephone:	425-0010
	St. Michael	Fax:	421-7879

Postal Address	P. O. Box 719C
	Bridgetown
	Barbados

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

DIRECTORS, OFFICERS, MANAGEMENT

Directors who served during the year were as follows:

Continuing:

Dr. George L. Reid	Chairman
Anderson Morrison	Deputy Chairman
Dr. Attlee H. Brathwaite C.B.E.	
Michael O'Neale Eastmond	
Martin A. Brathwaite	
Juliet M. Pollard (Mrs)	
Barton A. Clarke	
Clenell H. Goodman	
David H. West	

Resigned:

Dr. George L. Reid
David H. West
Clenell H. Goodman
Barton A. Clarke

Appointed:

Dr. Don Marshall	Chairman
Lt. Col. Neville E. Edwards	
Stephen E. Layne	
Clement G. Maloney	
Lennox R. Chandler	

General Manager	Leslie F. Parris
Financial Controller	Flo Jean-Marie (Mrs)
Agricultural Manager	Dr. Orville Wickham
Technical Manager Factories	John Goodman
Human Resources Manager	Jacqueline Belgrave (Ms)
Corporate Secretary	Victoria Bowen (Ms)

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

DIRECTORS, OFFICERS, MANAGEMENT (Cont'd)

Auditors

KPMG
Hastings
Christ Church

Bankers

FirstCaribbean International Bank
Wildey
St. Michael

FirstCaribbean International Bank
Broad Street
Bridgetown

Butterfield Bank (Barbados) Limited
Broad Street
Bridgetown

Republic Bank (Barbados) Limited
Independence Square
Bridgetown

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

CHAIRMAN'S REPORT

INTRODUCTION

During the financial period 1 July 2011 to 30 June 2012 the Board of Directors held eleven (11) meetings. The existing Chairman's tenure during the financial period was with respect to the months of May and June 2012.

Overall, the Company continued to experience severe financial challenges. It however continued its efforts to improve gross output and processes of its main business despite receiving 9.4% less cane supply island wide. Such efforts are evidenced by the Agriculture Department increasing cane production by 1.7%. In addition a 4.3% increase in sugar production was achieved, resulting from an improved sugar recovery (tc/ts ratio), which was better than the 2010/11 period. The net loss position of the Company was improved, having been reduced by 9%. This information must however be viewed against the background of contributing factors such as weather conditions and good husbandry. The latter being within the control of the Company but constrained by limited available financial resources.

Whilst the Company seeks to improve its operations within both field and factory, the Report is reflective of BAMC within the context of the Industry, as the factory operations are inclusive of the island wide production of sugar. It must be acknowledged that the continued efforts of the Company in maintaining a sugar sector would not be possible without the continued support of the Government of Barbados,

itself committed to the prospect of a future for the sugar cane industry.

PRODUCTION

Unfavourable weather conditions prevailed during the latter part of 2011 and into early 2012. Crop operations commenced at the Factories on 29 February 2012 and were completed on 26 May and 16 June 2012 at Andrews and Portvale Factories, respectively. Of the 258,601 tonnes cane processed, the BAMC supplied 112,638 tonnes cane or 43.6% of the total cane milled, compared to 38.8% in 2011 - a 1.7% increase. It must be noted however that cane production for the island declined by approximately 9.4% (26,810 tonnes cane) when compared to the output of 2011.

This information is represented in the total area of cane harvested of 12,203 acres, a decline of 1,342 acres or 10% when compared with the acreage harvested in 2011. Of the 12,203 acres, the BAMC harvested 5,246 acres (43% of the total), and the independent plantations and small farmers 6,957 acres (57% of the total). The average yield for the Industry was 21.19 tonnes cane per acre, which was effectively a 1.2% improvement in the national average yields compared with the previous year.

Both factories recorded low juice quality at the start of crop reflecting the high levels of rainfall recorded during the latter months of 2011 and early 2012. The juice quality improved slowly and peaked by mid-May. Sugar output was 24,526 tonnes 96°,

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

CHAIRMAN'S REPORT

produced at a tc/ts ratio of 10.54 (12.13 in 2011). When compared to the previous year, production increased by 1,002 tonnes, an improvement of 4.3%, despite a 9.4% reduction in cane milled.

FINANCIAL PERFORMANCE

The Company's net loss was \$52.1 million, lower by \$5.1 million than in the year 2011. The Company's revenue earnings were \$32.7 million (\$33.5 million 2011) and the operating costs were maintained at the same level of \$40.0 million (\$40.4 million 2011).

Income and Revenue

During the year, Government grants to the Company increased to \$21.8 million (a 108% increase) in relation to the new bond issue of \$161M and direct transfers from the Government totalled \$18.5M. The direct transfers from the Government were, for the most part, to address the shortfall in the subscription to the \$161M bond issue, \$39.3M of which remained unsubscribed. This is reflective of the total reliance on Government to meet the Company's debt obligations and funding requirements.

Export revenue was \$23.7 million on par with that earned in 2011. Of the total sugar produced this year, 85% was exported as bulk sugar and earned an average \$963 per tonne. Special sugar (bagged) fetched an average price of \$1,731 per tonne. The Company earned a premium for bulk shipments of about €45 per tonne or 13% above the basic price of €335.20. This increase was offset by the lower exchange rate (average B\$2.5622/€1.00), this level

having been achieved through the utilisation of currency hedging contracts.

Costs

Management succeeded in maintaining operating costs at the 2011 level of around \$72.8 million (\$73.9 million 2011). Depreciation, interest and finance costs increased over 2011 by \$7.1 million. This resulted from the asset base of the Company increasing during the year as a result of a revaluation of the Company's properties and depreciation assumptions reflecting the possibility that the useful life of the assets would be written-off by 2014. The increase in interest and finance costs is reflective of the increase in the Bonds interest (\$161M Bond issue), coupled with the continued need to utilize an overdraft facility, albeit at a lower level.

The Independent plantations and small farmers were paid an average price of \$58.87 per tonne of cane purchased, an increase of \$10.70 (22%) above the \$48.17 paid in 2011.

LOOKING AHEAD

The financial performance of the Company continues to be constrained by the factory costs; a total of 35.6% of the Company's overall operating expenses. This continues to adversely affect the ability of the Company to keep operational expenses within reasonable control. This is further compromised by a formula for the distribution of cane revenue which is dated, having been devised some twenty years or more ago. The continued relevance of this

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

CHAIRMAN'S REPORT

formula in the modern context, and its sustainability, is a matter for review in the context of covering factory expenses.

Conditions in the Industry dictate that changes must be made both within the Company and to the Industry if it is to survive. The Ministry of Agriculture has signalled this intention with comments relating to the upgrade of the Andrews Factory plant to meet international food-grade standards. The BAMC will be collaborating with the Barbados Cane Industry Corporation (BCIC) in this regard.

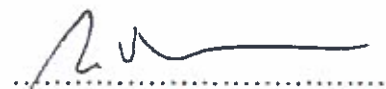
As part of the future restructuring efforts, the Company proposes to make strategic changes in its operations in an effort to control inputs and improve outputs. This is inclusive of non-sugar crop production so that its greater potential will be realised. A new vision and strategic plan for the Company will be imperative in the context of the continuing evolution of the Industry and its market both regionally and internationally.

CONDOLENCES

It is with regret that the Company records the passing of Mr. Lindsay H. Holder on 12 March 2012. Mr. Holder served as a director of the Company during the period February 2000 to March 2008; and as its Chairman during the period 2003 to 2008. Mr. Holder passed away after a long illness. His contribution, as both a director and Chairman, to both the Company and the Industry is acknowledged.

APPRECIATION

Appreciation is expressed for the contribution of Dr. George Reid who served as a chairman of the Company during the financial year. Thanks are expressed to Management and staff for their loyalty and efforts during the year. Appreciation is also expressed to the Ministry of Agriculture, Food, Fisheries and Water Resource Management and the Ministry of Finance, without their continued support the operations of the Company would not have been possible. Appreciation is also expressed to all farmers; cane suppliers; and the trade unions, namely, the Barbados Workers' Union and the Sugar Industries Staff Association.



Don Marshall, Ph.D
Chairman

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD

REVIEW OF OPERATIONS

Finances

The Company incurred a Net Loss of \$52.1M for the year ended June 30, 2012 as compared to \$57.2M the previous year. This reduction in loss was, however, primarily due to a significant increase in Government grants provided during the year to sustain the Company's operations.

Losses incurred were primarily due to the following:

1. A decline in revenue of approximately 8%. Revenue from sugar sales remained relatively consistent with that of the previous year, however, revenue from other sales (Non Sugar) declined by approximately 20%.
2. Total operating expenses were marginally reduced as management was able to reduce administrative expenses by approximately \$2.7M, but these gains were offset by increases in Agricultural expenses and Factory expenses. Increases in Agricultural expenses were primarily due to the rising cost of inputs and maintenance of aging equipment which also financially affected Factories in terms of Out-of-Cane as a result of inconsistent delivery of cane. The Company's Factory Expenses were also adversely

affected by maintenance of two (2) of its relatively old factories. Factories' efficiency has also been negatively impacted by a lack of the necessary volume of cane for grinding over the years and continues to be affected in this regard.

3. An increase of approximately 29% in interest and finance charges also adversely affected overall costs as the Company continues to be heavily reliant on debt to sustain its operations. Total liabilities increased by approximately \$29.4M during the year under review.
4. During the year under review, the Company also undertook a revaluation of its land and buildings which resulted in a revaluation surplus. This in turn, together with a decision to accelerate the write-down in value of plant/equipment (in anticipation of the existing factories being replaced in three (3) years by a Single Factory operation) resulted in an increase of approx. \$3.6M in depreciation expenses.

The overall financial performance of the Company for the year ended June 30, 2012 therefore continued to reflect a working-capital deficit and the Net Loss for the year increased shareholder's deficiency to \$130.9M.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

REVIEW OF OPERATIONS

As a result the Company's ability to undertake the logical, as well as, strategic initiatives to improve its operating efficiency continued to be severely constrained.

While Government support has kept the Company afloat over the past several years, its sustainability as a 'Going Concern' remains financially challenging.

Agricultural Operations

Acreage of Land Controlled

As at June 30, 2012 the controlled 8,464.82 acres of land saw a slight reduction in the 8,599.26 acres held at the end of the last financial year.

Cultivation

A total of 1,581.5 acres were cultivated for CPC (Future), forced back and non-sugar crops during the year just ended.

Equipment failure and adverse weather conditions during the June - August 2011 period on occasion slowed down operations in this area. This ultimately resulted in the Company being forced to outsource assistance for cultivation services from time to time, in order to complete cultivation within a workable available window of opportunity. This necessity would have, by extension, led

to an increase in Agricultural Expenses as attempts were made to reduce potential opportunity costs.

Planting

A total of 1,288.75 acres were planted in sugar cane on the Company's farms somewhat below the 1,472.62 acres planted during the previous year. This reduction was due to equipment failure resulting from inadequate or a lack of timely maintenance which could not be carried out because of financial constraints, as well as the total loss of a relatively 'new' harvester early in the Crop.

Harvesting

Harvesting operations for the 2012 campaign began in Areas 1 and 2 on February 28, 2012 and were completed on June 15, 2012, covering a period of sixteen (16) weeks.

In total 258,600.62 tonnes of cane were harvested (island-wide) of which the BAMC produced 112,638.05 tonnes or 43.56%. This compares favourably to the 38.8% contributed in the previous year. The tonnage harvested by the BAMC of 112,638.05 tonnes was also slightly above the 110,764.96 tonnes harvested for the previous year.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD

REVIEW OF OPERATIONS

The comparative average yield from BAMC farms was also encouraging as this year; an average yield of 20.73 tc/acre was achieved compared to 19.49 tc/acre in the previous year.

Non-Sugar

Total revenue for non-sugar (i.e. Food Crops) generated approximately \$1.2 M which was lower than the \$1.6M generated during the previous year. Its financial contribution was \$170K compared to that of \$363.6K for the previous year.

It should be noted, however, that during the year just ended, Non-Sugar operations were separated from Sugar Cultivation by the creation of a Non-Sugar Unit. Two (2) of the Company's existing Agronomists were appointed as Managers covering Areas 1 and 2. The strategic intent in forming the Unit was to bring a greater focus to bear on food crop production through centralization specialization. While the immediate results have not been positive, it should be recognized that the strategic concept is one that is still in its infancy and is being further developed to achieve its stated objectives. Those objectives being that the financial contribution from Non-Sugar operations should contribute meaningfully towards covering the Company's administrative costs as well

as support Government's strategic intent of improving national food security.

Research and Extension

Variety selection of sugarcane continued to be the primary focus of the Agronomy Research & Variety Testing Unit. The HFC/MPC program also continued as many of the crosses produced in recent years have been deemed to have the potential to produce germ plasm lines that can serve as parents for future MPC lines.

Other objectives achieved by the Unit during the year were the following:

1. A Commercial Variety Yield & Quality evaluation covering seven (7) Independent Farms. The data collected analyzed nine (9) varieties and ranked them according to their net profitability on the basis of \$ per acre.
2. Work on a moth borer laboratory was completed in December 2011. Work at the Laboratory is being done in collaboration with the Ministry of Agriculture's Entomology Unit and the Ministry also subsequently provided a full-time Technician to further assist. An application has also been submitted to the

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD

REVIEW OF OPERATIONS

Barbados Cane Research and Development Committee for funding of the following:

- a) An enhancement of the Moth Borer Biological Control Program.
- b) The establishment of a hot water treatment plant to disseminate treated plant material farms.
- c) The assessment of the fertility of various soil groups

Factory Operations

Start Up

Factory Steam Trials were unfortunately delayed as the traditional local source (previously used for several years) proved unable to provide a sufficient quantity of hydrated lime.

The Company was, however, able to secure sufficient quantities from extra-regional sources by the last week in February 2012.

Milling operations as a result commenced at both factories March 1,

2012 with both factories achieving relatively smooth starts.

Grinding operations at Andrews concluded on May 26, 2012 while those at Portvale concluded on June 16, 2012.

Production

A total of 258,600.62 tonnes of sugar cane were ground in 2012 which yielded 24,526.15 tonnes of sugar at a tc/ts ratio of 10.54. This was down from the 285,410.76 tonnes of cane ground the previous year but which gave a lower yield of sugar at 23,524.40 tonnes at a tc/ts ratio of 12.13.

Cane Supplies & Quality

Cane deliveries from Independent farms were 2.52% below estimates while those from BAMC were 2.19% above estimates. Deliveries from Small Farmers were disappointing at 39.94% below estimates for 2012.

Out-of Crop (Weather & Non- Weather) affected factories significantly resulting in loss of operational time at the factories due to the following factors:

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

REVIEW OF OPERATIONS

1. Heavy rains experienced during the crop just ended.
2. Poor cane supplies from two (2) BAMC farms

While the Out-of-Crop due to non-weather is exogenous the Out-of-Crop due to non-weather is directly attributable to weaknesses/and or inefficiencies due to the aging fleet of equipment currently employed by the Company. This was especially evident in the North comprising mainly BAMC farms. It should, however, be noted that a lack of adequate capital leaves the BAMC with no option but to be reactive to equipment failure. As a result, every effort was made to maximize earnings by way of an increase in bagged sugar, by diverting approximately 10.4K tonnes of sugar to the Portvale Factory in order to benefit financially from the value-added component involved.

During the period under review it was also noted that there was a general marked decline in yields as a result of declining standards in best practices due to the waning financial fortunes of the Industry in general. This in turn led to excessive extraneous matter being delivered to the factories and the concomitant adverse results in efficiencies and financial results.

Human Resources

Human Resources Climate

During the year just ended there were no work stoppages.

Manpower Statistics

Average manpower statistics for the year ended June 30, 2012 was 702 employees. Employment cost at \$26.6M was 3% below the cost of \$27.3M incurred for the prior year. Employment cost for the year just ended was contained within budget by approximately 4.9%. Factories constituted approximately 53% of total employment cost, again for an orderly and equitable rationalization of this area of operations.

Collective Agreements

The BWU having written the Company in January 2011 advancing proposals outlining terms for the renewal of the existing agreement (expired December 2010) the Company responded. Following discussions arising from the BWU having written the Ministry of Finance on the matter, the Union subsequently agreed that it would await a response from Central Government pending which negotiations would be suspended. The Union,

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD

REVIEW OF OPERATIONS

however, reserved the right to convene further meetings on the matter should other issues arise.

In terms of SISA it was agreed that there would be no increase in the basic rates of pay for all staff of the Union from January 01, 2011- December 31, 2011 covered under the Collective Labour Agreement. It was, however, agreed that either party reserved the right to reopen negotiations by way of notice of not less than two weeks.

Absenteeism

There were 7032 man-days lost during the period under review which represents a reduction of 4% compared to the previous year. Absenteeism was down in all categories except for uncertified sick leave. Absenteeism in Factories and Agriculture represented 54% and 41% of man-days lost respectively while that for General Administration was 0.05%.

Accidents

There was a reduction in the number of Lost-Time Accidents (LTAs) during the year with LTAs being reduced by 15%. Minor accidents were down by 40% and days lost as a result were reduced by 31%.

These favorable trends would have been due to initiatives which included the following;

1. A re-orientation program which was developed and delivered targeting senior, middle and supervisory management.
2. The reformatting of risk assessment forms to be more user friendly and to allow for easier updating, distribution and assimilation by both management and staff.
3. Tool Box Talks aimed at sensitizing employees to the risks and hazards associated with assigned tasks and the safety measures required prior to undertaking such tasks.


BARBADOS AGRICULTURAL MANAGEMENT CO. LTD

REVIEW OF OPERATIONS

Training

During the period under review the Company conducted approximately 278 man-days of training at a cost of \$9,103. Areas covered among others included the following:

1. Retirement planning
2. Advanced Methods & Practices of Agriculture and Rural extension
3. Conflict resolution
4. Substance Abuse
5. Food Handling


.....
Leslie F. Parris
General Manager

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

DIRECTORS' REPORT

The Directors submit their report on the Financial Statements of the Company for the year ended 30 June 2012.

RESULTS

Net Loss for the year was \$ 52,139,941.

Total comprehensive loss for the year was \$ 10,861,433.

DIVIDEND

No dividend was declared during the period and the Directors do not now recommend the declaration of a final dividend.

General

- (a) No contingent liability has arisen since the end of the financial year which continued to exist at the date of this report.
- (b) No contingent liability has become enforceable, or is likely to become enforceable within a period twelve months from the date of this report, that will materially affect the Company's ability to meet its obligations as and when they fall due.
- (c) No significant events have occurred since the end of the financial year which render misleading or otherwise affect the financial statements.

Signed in Barbados
this 30 day of October 2012,
in accordance with a resolution
passed by the Board of Directors.



CHAIRMAN



DIRECTOR



Financial Statements of

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

June 30, 2012

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

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KPMG
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P.O. Box 690C
Bridgetown, Barbados

AUDITORS' REPORT

To the Shareholder of Barbados Agricultural Management Co. Ltd.

We have audited the accompanying financial statements of Barbados Agricultural Management Co. Ltd., which comprise the statement of financial position as of June 30, 2012, the statement of comprehensive loss, statement of changes in shareholder's deficiency and the statement of 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 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 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 our 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, we consider 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 financial statements present fairly, in all material respects, the financial position of Barbados Agricultural Management Co. Ltd. as of June 30, 2012, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company has incurred a net loss of \$52,139,941 for the year ended June 30, 2012 and, as of that date, the Company's current liabilities exceeded its total current assets by \$35,675,405.

These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

KPMG

Chartered Accountants
Bridgetown, Barbados
October 30, 2012

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

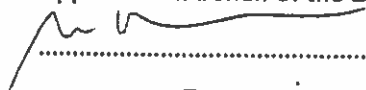

Statement of Financial Position

As at June 30, 2012
with comparative figures for 2011

Assets	<u>Notes</u>	<u>2012</u>	<u>2011</u>
Current Assets			
Cash and bank	4	\$ 405,741	10,973,995
Accounts receivable	5	7,079,325	4,542,954
Inventory	6	14,328,918	12,050,015
Prepayments		691,780	840,799
VAT recoverable		<u>1,713,068</u>	<u>1,130,745</u>
Total current assets		<u>24,218,832</u>	<u>29,538,508</u>
Investments			
Employee benefits	7	3	2
Capital works in progress	15	2,364,506	1,984,656
Property, plant and equipment, net	8	112,773	101,612
		<u>182,482,884</u>	<u>159,036,440</u>
Total Assets		<u>\$ 209,178,998</u>	<u>190,661,218</u>
Liabilities and Shareholder's Deficiency			
Current Liabilities			
Overdraft	4	\$ 29,100,219	47,722,295
Accounts payable and accrued liabilities	9	17,376,281	13,326,867
Current portion of long term debt	9	<u>13,417,737</u>	<u>32,931,557</u>
Total current liabilities		<u>59,894,237</u>	<u>93,980,719</u>
Bonds payable	10	196,995,897	147,507,533
Loans payable	11	76,574,304	64,825,339
Due to parent company	13	<u>6,603,076</u>	<u>4,374,710</u>
Total Liabilities		<u>340,067,514</u>	<u>310,688,301</u>
Shareholder's Deficiency			
Share capital	14	115,113,480	115,113,480
Revaluation reserves	8	150,328,484	109,049,976
Deficit		<u>(396,330,480)</u>	<u>(344,190,539)</u>
Total shareholder's deficiency		(130,888,516)	(120,027,083)
Commitments	18	-	-
Total Liabilities and Shareholder's Deficiency		<u>\$ 209,178,998</u>	<u>190,661,218</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:


 Director

 M. A. Parnwell Director

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Statement of Comprehensive Loss

For the year ended June 30, 2012
with comparative figures for 2011

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
Revenue			
Sales - sugar		\$ 29,583,316	29,467,375
Sales - other		<u>3,163,831</u>	<u>4,081,926</u>
Total revenue		<u>32,747,147</u>	<u>33,549,301</u>
Expenses			
Agriculture		30,749,480	29,863,462
Factory		25,989,805	25,347,042
Administration		<u>16,011,119</u>	<u>18,694,449</u>
Operating expenses		<u>72,750,404</u>	<u>73,904,953</u>
Operating loss before the under mentioned items		(40,003,257)	(40,355,652)
Government grants	12	21,762,429	10,427,772
Other income		646,697	447,223
Foreign exchange gain (loss)		5,411	(326,337)
Interest and finance charges		(16,072,380)	(12,526,234)
Depreciation and amortization		<u>(18,478,841)</u>	<u>(14,908,297)</u>
		<u>(12,136,684)</u>	<u>(16,885,873)</u>
Loss before corporation tax		(52,139,941)	(57,241,525)
Corporation tax	16	-	-
Net loss for the year		<u>(52,139,941)</u>	<u>(57,241,525)</u>
Other Comprehensive Income			
Revaluation of plant and equipment		<u>41,278,508</u>	<u>14,081,676</u>
Other comprehensive income for the year		<u>41,278,508</u>	<u>14,081,676</u>
Total comprehensive loss for the year		\$ <u>(10,861,433)</u>	<u>(43,159,849)</u>

See accompanying notes to financial statements.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Statement of Changes in Shareholder's Deficiency

For the year ended June 30, 2012
with comparative figures for 2011

	<u>Notes</u>	<u>Share Capital</u>	<u>Revaluation Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance at June 30, 2010		\$ 115,113,480	94,968,300	(286,949,014)	(76,867,234)
Net loss for the year		-	-	(57,241,525)	(57,241,525)
Other comprehensive income	8	<u>-</u>	<u>14,081,676</u>	<u>-</u>	<u>14,081,676</u>
Balance at June 30, 2011		115,113,480	109,049,976	(344,190,539)	(120,027,083)
Net loss for the year		-	-	(52,139,941)	(52,139,941)
Other comprehensive income	8	<u>-</u>	<u>41,278,508</u>	<u>-</u>	<u>41,278,508</u>
Balance at June 30, 2012		\$ <u>115,113,480</u>	<u>150,328,484</u>	<u>(396,330,480)</u>	<u>(130,888,516)</u>

See accompanying notes to financial statements.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Statement of Cash Flows

For the year ended June 30, 2012
with comparative figures for 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Net loss for the year	\$ (52,139,941)	(57,241,525)
Adjustment for:		
Depreciation and amortization	18,478,841	14,908,297
Foreign exchange (gain) loss	(5,411)	326,337
Gain on sale of equipment	(22,739)	(13,300)
Interest income	(101,078)	(111,529)
Interest expense and finance charges	16,072,380	12,526,234
(Increase) decrease in employee benefits	(379,850)	257,195
Government grant	<u>(21,762,429)</u>	<u>(10,427,772)</u>
Operating loss before working capital changes	(39,860,227)	(39,776,063)
(Increase) decrease in accounts receivable	(2,530,960)	818,019
Decrease in prepayments	149,019	17,150
(Increase) decrease in inventory	(2,278,903)	1,331,339
Increase in accounts payable and accrued liabilities	1,469,228	2,313,869
increase in VAT recoverable	<u>(582,323)</u>	<u>(449,545)</u>
Cash used in operating activities	(43,634,166)	(35,745,231)
Interest paid	<u>(13,492,194)</u>	<u>(12,741,075)</u>
Net cash used in operating activities	<u>(57,126,360)</u>	<u>(48,486,306)</u>
Cash Flows from Investing Activities		
Proceeds from sale of equipment	22,773	13,300
Net expenditure on capital works in progress	(11,161)	(9,152)
Purchase of plant and equipment	(646,811)	(549,892)
Acquisition of investment	(1)	-
Interest received	<u>101,078</u>	<u>111,529</u>
Net cash used in investing activities	<u>(534,122)</u>	<u>(434,215)</u>
Cash Flows from Financing Activities		
Proceeds of short-term loans	11,962,500	21,931,250
Repayment of short-term loans	(11,962,500)	(21,931,250)
Proceeds of loan from Government of Barbados	17,950,069	27,058,449
Repayment of loan from CDB/GOB	(1,342,440)	(1,347,924)
Repayment of loan from Government of Barbados	(31,611,638)	(971,875)
Due to parent company	2,228,366	237,883
Repayment of loan from ADF	(564,485)	(614,208)
Proceeds from short-term financing	-	(35,956,084)
Proceeds from bonds payable	66,243,512	61,215,740
Repayment of bonds payable	(8,951,509)	(3,435,432)
Government grant	<u>21,762,429</u>	<u>10,427,772</u>
Net cash from financing activities	<u>65,714,304</u>	<u>56,614,321</u>
Increase in cash and cash equivalents during year	8,053,822	7,693,800
Cash and cash equivalents, beginning of year	<u>(36,748,300)</u>	<u>(44,442,100)</u>
Cash and cash equivalents, end of year	\$ <u>(28,694,478)</u>	\$ <u>(36,748,300)</u>
Cash and cash equivalents are comprised of:		
Bank overdraft	\$ (29,100,219)	(47,722,295)
Cash and bank balances	<u>405,741</u>	<u>10,973,995</u>
	\$ <u>(28,694,478)</u>	\$ <u>(36,748,300)</u>

See accompanying notes to financial statements.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

1. General

The Company was incorporated under the Companies Act of Barbados on June 10, 1992. On March 08, 1993, the Company obtained articles of amendment to change its name from B. A. P. Land Management Co. Ltd. to Barbados Agricultural Management Co. Ltd. The Company commenced operations in June 1993. The registered office of the Company is located at Warrens, St. Michael, Barbados.

The Company's principal activity is the management of the sugar industry's assets, which comprise sugar cane lands, sugar factories, sugar and molasses terminals, a sugar and variety testing station and other related facilities.

The Company is a wholly owned subsidiary of Barbados Agricultural Credit Trust Ltd. ("BACT"), whose sole shareholder is the Government of Barbados, which guarantees the repayment of principal and interest of the bonds issued by the Company in accordance with the Barbados Agricultural Management Co. Ltd. (Sugar Bonds Guarantee) Act Cap. 255. To this end, the Company is economically dependent upon the Government of Barbados for its continued operations.

The financial statements were authorized for issue by the Board of Directors on October 30, 2012.

2. Going Concern

These financial statements have been prepared on a going concern basis. At June 30, 2012, the Company has a net loss of \$52,139,941 and an accumulated deficit of \$396,330,480. The ability of the Company to remain as a going concern is dependent upon the continued financial support of its Shareholder. The Shareholder has communicated to management its commitment to continue funding the activities of the Company into the foreseeable future.

3. Significant Accounting Policies

These financial statements are stated in Barbados dollars and have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ significantly from those reported. The significant accounting policies adopted in the preparation of these financial statements by the company are as follows:

(a) *Basis of Accounting*

Historical cost accounting has been used, except where stated, and therefore does not take into account changing money values or current valuations of non-current assets.

(b) *Use of Estimates and Judgments*

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

3. Significant Accounting Policies, continued

(b) *Use of Estimates and Judgments, continued*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note 15 – measurement of defined benefit obligation
- Note 3(c) & 6 - Inventory
- Note 3(d) & 8 – Property, plant and equipment

(c) *Inventory*

Molasses and sugar stocks have been valued at the lower of cost into store and net realizable value. Stores stocks are valued at cost. Cost is determined on the average cost basis.

(d) *Property, Plant and Equipment*

All property, plant and equipment are initially recorded at cost. Land, buildings, plant and equipment are carried at fair value based on valuations done by two independent valuers. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Increases arising from revaluations are credited to Revaluation Surplus in Shareholder's Deficiency.

Depreciation is calculated on a straight-line basis so as to write off the cost of the assets over their estimated useful lives. Cost includes expenditures that are directly attributable to the acquisition of assets. Cost associated with capital work-in-progress includes all expenditures that are attributable to bringing the asset to its state of use. Additions are depreciated from the date of purchase in the year of acquisition. The annual depreciation rates are as follows:

Leasehold improvements	2% - 5%
Furniture and fittings	10% - 20%
Computers	20%
Motor vehicles	10% - 20%
Irrigation equipment	6%
Machinery	5% - 20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(e) *Biological Assets*

Biological assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognized in the statement of comprehensive loss. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

(f) *Taxation*

Corporation tax in the statement of comprehensive loss for the year comprises current and deferred tax. Corporation tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity or in other comprehensive loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustments to tax payable in respect of previous years.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

3. Significant Accounting Policies, continued

(f) *Taxation, continued*

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither the accounting nor taxable income. The amount of deferred tax provided is based on the expected manner of realization of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the date of the statement of financial position.

The tax value of losses expected to be available for utilization against future taxable income is set off against the deferred tax liability within the legal unit and jurisdiction. The deferred tax asset arising from unused tax losses or tax credit is established to the extent that the Company has sufficient taxable profit against which the unused tax losses or unused tax credit can be utilized by the Company. Net deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. The effect on the deferred tax of any changes in tax rates is charged to the statement of comprehensive loss, except to the extent that it relates to items previously charged or credited to equity.

(g) *Foreign Currency Transactions*

Foreign currency transactions completed during the year are recorded at actual rates of exchange prevailing at the dates of such transactions. Monetary assets and liabilities are translated into Barbados dollars at rates of exchange prevailing at the date of the statement of financial position. Resulting exchange differences are taken to the statement of comprehensive loss.

(h) *Pension Expense and Obligation*

The Company maintains two (2) non-contributory defined benefit plans which cover its eligible employees and the employees of its parent BACT. The recognized amount in the statement of financial position is determined as the present value of the defined benefit obligation adjusted for the unrecognized actuarial gains or losses and less any past service costs not yet recognized and the fair value of any plan assets. Where this calculation results in a net surplus, the recognized asset does not exceed the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The recognition of actuarial gains and losses is determined separately for each defined benefit plan. Unrecognized actuarial gains or losses are recognized in income over 5 years, following the year in which they arose.

Past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested following the introduction of, or changes to, a defined benefit plan, past service costs are recognized as an expense immediately.

The present value of the defined benefit obligations and the related service costs are calculated by a qualified actuary using the projected unit credit method. The amount charged to the statement of comprehensive loss consists of current service cost, interest cost, the expected return on any plan assets and actuarial gains and losses. (See note 15)

(i) *Government Grants*

Government grants are not recognized until there is reasonable assurance that the grants will be received and that the Company will comply with conditions applying to them. Grants are recognized upon reimbursement of the related cost for which the grants are intended to compensate.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

3. Significant Accounting Policies, continued

(j) *Impairment*

The carrying amounts of the Company's assets other than inventories are reviewed by management at each date of the statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

(k) *Investments*

The Company's investments are accounted for in the accompanying financial statements at cost, as there is no quoted market price for these companies' shares.

(l) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash balances with a maturity of less than three months. Bank overdraft that is repayable on demand and form an integral part of the Company's cash management is included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

(m) *Revenue Recognition*

The Company recognizes revenue when Sugar is shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

(n) *Functional Currency*

These financial statements are presented in Barbados dollars which is the Company's functional currency.

(o) *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

(p) *New Standards and Interpretations not yet Adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for *IFRS 9 Financial Instruments*, which becomes mandatory for the Company's 2015 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

4. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<u>2012</u>	<u>2011</u>
Bank overdraft	\$ (29,100,219)	(47,722,295)
Cash and bank balances	<u>405,741</u>	<u>10,973,995</u>
	\$ <u>(28,694,478)</u>	<u>(36,748,300)</u>

The bank overdraft is secured by a Letter of Comfort from the Government of Barbados.

5. Accounts Receivable

Accounts receivable comprise:

	<u>2012</u>	<u>2011</u>
Trade	\$ 8,035,565	5,137,655
Other	<u>881,120</u>	<u>928,111</u>
	8,916,685	6,065,766
Allowance for doubtful accounts	<u>(1,837,360)</u>	<u>(1,522,812)</u>
	\$ <u>7,079,325</u>	<u>4,542,954</u>

6. Inventory

Inventory comprises the following:

	<u>2012</u>	<u>2011</u>
Sugar - Raw	\$ 2,222,286	1,750,325
Molasses	294,294	197,561
Stores stock	13,440,077	11,702,040
Goods in transit	<u>634,255</u>	<u>703,252</u>
	16,590,912	14,353,178
Less provision for obsolescence	<u>(2,261,994)</u>	<u>(2,303,163)</u>
	\$ <u>14,328,918</u>	<u>12,050,015</u>

During the year ended June 30, 2012, stock items of \$41,169 were written off (2011: \$nil). The provision for obsolescence was reassessed and considered adequate.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

7. Investments

Investments comprise:

	<u>2012</u>	<u>2011</u>
(a) Exclusive Cottons of the Caribbean Inc.	\$ 1	1
(b) West Indies Sugar & Trading Company Limited	1	1
(c) West Indies Sugar & Trading Company Caribbean Limited	<u>1</u>	<u>-</u>
	<u>\$ 3</u>	<u>2</u>

(a) Exclusive Cottons of the Caribbean Inc.

In 2005, the Company, in pursuit of its diversification efforts, purchased 100,000 common shares in Exclusive Cottons of the Caribbean Inc. at a cost of \$50,000. The investment represents approximately 7.2% of the issued capital of the Company. All cotton grown by the BAMC estates is purchased by Exclusive Cottons of the Caribbean Inc. At year-end, the amount due from Exclusive Cottons of the Caribbean Inc. was \$91,500 (2011 - \$nil).

In 2011, the Company conducted an assessment of the carrying value of the investment and it was determined that the investment should be written down to \$1.

(b) West Indies Sugar & Trading Company Limited

In 2006, the Company expended \$145,300 to acquire a 19.5% interest in the joint venture company, West Indies Sugar and Trading Company Limited (WISTCO). A further \$1,950 was expended by the Company in September 2007 to maintain its 19.5% interest. This business arrangement involves the Company supplying special sugars to the WISTCO UK subsidiary. In 2010, WISTCO restructured, resulting in the Company acquiring an additional 13,833 common shares, a 33.33% interest in the joint venture company.

At the time of the restructuring of WISTCO, the Company conducted an assessment of the carrying value of the investment and it was determined that the investment should be written down to \$1.

(c) West Indies Sugar & Trading Company Caribbean Limited

As at September 2011, the Company had acquired 3,333 Common Shares in the West Indies Sugar & Trading Company Caribbean Limited (WISTCO Caribbean) for the consideration of \$1.00. This represents a total shareholding interest of 33.33% in WISTCO Caribbean.

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

8. Property, Plant and Equipment, net

Property, plant and equipment comprise:

Cost/Valuation	Machinery	Building at Fair Value	Building Chateaux	Furniture and Fittings	Computers	Motor Vehicles	Irrigation Equipment	Land at Fair Value	Land	Total
Balance at July 1, 2010	\$ 94,603,694	32,336,187	144,255	1,252,314	1,247,879	17,036,773	569,096	98,202,538	270,000	245,662,748
Additions	15,549	99,242	-	31,770	10,529	385,075	7,727	-	-	549,898
Revaluation	13,933,570	-	-	-	-	148,106	-	-	-	14,081,676
Disposals	-	-	-	(2,087)	-	(100,239)	-	-	-	(102,326)
Balance at June 30, 2011	108,552,813	32,435,439	144,255	1,281,997	1,258,408	17,469,715	576,823	98,202,538	270,000	260,191,988
Balance at July 1, 2011	108,552,813	32,435,439	144,255	1,281,997	1,258,408	17,469,715	576,823	98,202,538	270,000	260,191,988
Additions	319,766	-	33,600	33,101	25,049	234,295	-	-	-	646,811
Revaluation - IAS16	-	3,080,503	-	-	(1,005)	(272,121)	-	27,919,014	-	30,999,597
Disposals	(39,034)	(1,277,272)	-	-	-	-	-	(23,600)	-	(312,160)
Disposals - IAS16	-	-	-	-	-	-	-	-	-	(1,300,872)
Balance at June 30, 2012	\$ 108,833,545	34,238,730	177,855	1,315,098	1,263,452	17,431,889	576,823	126,097,952	270,000	290,225,364
Accumulated Depreciation										
Balance at July 1, 2010	\$ 62,362,999	6,376,609	50,303	985,095	1,045,877	15,158,205	370,489	-	-	86,349,577
Expense	10,907,303	3,117,675	7,213	84,584	96,934	662,624	31,984	-	-	14,908,297
Disposals	-	-	-	(2,087)	-	(100,239)	-	-	-	(102,326)
Balance at June 30, 2011	73,270,302	9,494,284	57,516	1,067,572	1,142,811	15,720,590	402,473	-	-	101,155,548
Balance at July 1, 2011	73,270,302	9,494,284	57,516	1,067,572	1,142,811	15,720,590	402,473	-	-	101,155,548
Expense	10,781,660	6,976,749	7,218	74,833	55,253	557,785	25,343	-	-	18,478,841
Disposals	(39,000)	-	-	-	(1,005)	(272,121)	-	-	-	(312,126)
Disposals - IAS 16 revaluation	-	(11,579,783)	-	-	-	-	-	-	-	(11,579,783)
Balance at June 30, 2012	\$ 84,012,962	4,891,250	64,734	1,142,405	1,197,059	16,006,254	427,816	-	-	107,742,480
Net Book Value										
Balance at June 30, 2011	\$ 35,282,511	22,941,155	86,739	214,425	115,597	1,749,125	174,350	99,202,538	270,000	159,036,440
Balance at June 30, 2012	\$ 24,820,583	29,347,500	113,121	172,691	85,393	1,425,635	149,007	126,097,952	270,000	182,482,884

BARBADOS AGRICULTURAL MANAGEMENT CO. LTD.

Notes to Financial Statements

June 30, 2012

8. Property, Plant and Equipment, net, continued

The Company revalued its land and buildings at several locations as at June 2008, based on an independent appraisal done by the firm of Rolphe Alleyne and Associates.

A combination of the contractor's method and the comparison method was used in estimating the values, where having determined the replacement cost, it was compared to the amount that a prudent person would pay to acquire an equally desirable substitute. The excess of the appraised value of the properties over the carrying value in the amount of \$94,968,300 was recorded as revaluation reserves in Shareholder's Deficiency.

The Company revalued its plant and equipment as at June 2011, based on an independent appraisal done by the firm CASSE Engineering Inc.

The fair market value of the assets was determined using a combination of the Market Data Approach and the Cost Approach. The excesses of the appraised value of the plant and equipment over the carrying value resulted in a further \$14,081,676 being added to the revaluation reserves in the Shareholder's Deficiency.

During the current year, Rolphe Alleyne and Associates reassessed the properties as at March 2012. The excess of the appraised value over the carrying value in the amount of \$41,278,508 was recorded as revaluation reserves in Shareholder's Deficiency.

9. Accounts Payable and Accrued Liabilities

(a) Accounts payable and accrued liabilities comprise:

	<u>2012</u>	<u>2011</u>
Trade	\$ 1,147,134	1,519,290
Cane	2,003,838	265,347
Other	<u>14,225,309</u>	<u>11,542,230</u>
	\$ <u>17,376,281</u>	<u>13,326,867</u>

9. Accounts Payable and Accrued Liabilities, continued

	<u>2012</u>	<u>2011</u>
(b) Current portion of long term debt comprise:		
Current portion of long term debt - Government of Barbados	\$ 1,340,606	1,321,349
Current portion of long term debt - Government of Barbados	-	27,301,864
Current portion of long term debt - Bonds payable	11,239,071	3,435,432
Current portion of long term debt - Agricultural Development Fund	<u>838,060</u>	<u>872,912</u>
	<u>\$ 13,417,737</u>	<u>32,931,557</u>

10. Bonds Payable

	<u>2012</u>	<u>2011</u>
(i) Fixed Rate bonds 2004/2014	\$ 19,917,323	19,873,323
(ii) Tranche 1 Fixed Rate bonds 2004/2016	6,250,000	7,500,000
(ii) Tranche 2 Fixed Rate bonds 2004/2016	10,416,668	12,500,001
(iii) Fixed Rate Non Callable Bonds	50,000,000	50,000,000
(iv) Tranche 1 Series 1 Fixed Rate Bonds 2011/2016	50,000,000	46,870,000
(iv) Tranche 2 Fixed Rate Bonds 2011/2019	42,415,000	11,303,424
(iv) Tranche 1 Series 2 Fixed Rate Bonds 2011/2016 (US Dollars)	<u>29,235,977</u>	<u>2,896,217</u>
	208,234,968	150,942,965
Less current portion	<u>(11,239,071)</u>	<u>(3,435,432)</u>
	<u>\$ 196,995,897</u>	<u>147,507,533</u>

(i) **Fixed Rate Bonds 2004 – 2014**

This represents an issue of \$20,000,000 discounted bonds which are redeemable by a single bullet payment at maturity date. The bonds carry an interest rate of 5.75%.

(ii) **Fixed Rate Guaranteed Bonds 2004 – 2016**

Tranche 1

This represents an issue of \$15,000,000 bonds which are redeemable in twelve equal annual installments. The first redemption took place on 16 August 2005. The bonds carry an interest rate of 5.40%.

Tranche 2

This represents an issue of \$25,000,000 bonds which are redeemable in twelve equal annual installments. The first redemption took place on 30 August 2005. The bonds carry an interest rate of 5.40%.

(iii) **Fixed Rate Non-Callable Guaranteed Bonds 2007 – 2022**

This represents an issue of US\$25,000,000 fixed rate non-callable bonds that are redeemable by a single bullet payment at maturity date. The bonds carry a minimum interest rate of 7.10 % and the interest rate is presently 7.284%.

