I am very pleased to report on a further year of significant progress at the Group level. Earnings per share rose by 16.7% from 43.0¢ to 50.2¢. The Directors have approved a dividend increase to 15¢ per share and this marks the fifth straight year that both earnings and dividends have risen.

Towards the end of the financial year, the Board approved the sale of approximately one half of our holding of Neal & Massy shares at a price considered to be attractive. The sale produced an immediate gain to the Profit & Loss Statement but, more importantly, created a substantial inflow of cash, which had a very positive effect on the Balance Sheet.

Working capital more than doubled and is now a very comfortable $227 million. The debt to equity ratio improved by declining from 52.5% to 43.7% and the debt to capital ratio was better as well. The Group is, therefore, well poised to continue its expansion at home and in the wider Caribbean.

During the year, we said farewell to two non-executive Directors, Messrs. David Collens and Trevor Clarke. David, who represented Neal & Massy, resigned from that company and Trevor, who was recently appointed Ambassador/permanent representative for Barbados to the United Nations, now resides in Geneva. I would like to thank them both for their many valuable contributions during their relatively short tenure.

The Board filled the vacancies created by the appointments of Messrs. Christian Maingot and Peter Symmonds. Christian is a senior executive in the Neal & Massy Group and will represent that company on our Board, while Peter, who is a prominent Attorney-at-Law, is a senior partner with a leading firm of Attorneys. I welcome both and look forward to their active participation at Board level.

As we look to the future with all of its uncertainties, we remain optimistic that we have the management resources to alter our existing ways of doing business and devise new strategies for the challenges ahead. Our focus must be on enhancing and creating shareholder value, which is manifested in the market price of shares rather than the more traditional measures of revenues and profits. The efforts and commitment of a strong management team all serve to provide a ready assurance that the Group will maximize all of its opportunities.

C. D. Bynoe
Chairman