

**JONAS BROWNE AND HUBBARD (GRENADA) LIMITED  
AND SUBSIDIARY COMPANY**

**SEMI-ANNUAL REPORT**

**31<sup>ST</sup> MARCH, 2004**

**JONAS BROWNE AND HUBBARD (GRENADA) LIMITED  
AND SUBSIDIARY COMPANY  
CONSOLIDATED BALANCE SHEET  
AT 31<sup>ST</sup> MARCH, 2004 AND 30<sup>TH</sup> SEPTEMBER, 2003**

	Notes	2004	2003
<b>CURRENT ASSETS</b>			
Cash at bank and on hand		11,988,865	9,712,37
Accounts receivable		8,293,552	9,517,75
Inventories	3	<u>29,104,550</u>	<u>30,303,81</u>
		<u>49,386,967</u>	<u>49,533,94</u>
<b>CURRENT LIABILITIES</b>			
Bank overdrafts	4	-	
Accounts payable and accrued expenses		8,838,932	9,678,89
Deposit accounts	5	13,651,584	13,506,49
Provision for taxation		<u>228,833</u>	<u>90,76</u>
		<u>22,719,349</u>	<u>23,276,14</u>
WORKING CAPITAL		26,667,618	26,257,79
<b>INVESTMENTS</b>	6	3,868,800	3,868,80
<b>MORTGAGES</b>	7	1,826,299	2,128,04
<b>FIXED ASSETS</b>	8	<u>20,932,359</u>	<u>20,798,18</u>
		<u>\$53,295,076</u>	<u>\$53,052,82</u>
<b>FINANCED BY:</b>			
<b>SHAREHOLDERS' EQUITY</b>			
<b>STATED CAPITAL</b>	9	17,175,750	17,175,75
<b>RETAINED EARNINGS</b>		<u>36,119,326</u>	<u>35,877,07</u>
		<u>\$53,295,076</u>	<u>\$53,052,82</u>

**JONAS BROWNE AND HUBBARD (GRENADA) LIMITED  
AND SUBSIDIARY COMPANY  
CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED  
31<sup>ST</sup> MARCH, 2004 AND THE YEAR ENDED 30TH SEPTEMBER, 2003**

	2004	2003
<b>Sales and Commission Income</b>	48,329,984	92,871,394
Cost of Sales	<u>37,128,023</u>	<u>71,163,310</u>
Gross profit and commission income	<u>11,201,961</u>	<u>21,708,084</u>
Direct expenses	5,386,121	10,288,335
General and administrative expenses	2,472,647	5,430,401
Interest expense - (Net)	129,044	360,117
Depreciation	<u>539,249</u>	<u>806,356</u>
	<u>8,527,061</u>	<u>16,885,209</u>
<b>NET OPERATING INCOME</b>	2,674,900	4,822,875
<b>OTHER INCOME</b>		
Rents	330,778	631,013
Gain on disposal of fixed assets	12,999	107,995
Miscellaneous	<u>62,226</u>	<u>76,852</u>
<b>EARNINGS BEFORE TAXATION</b>	<u>3,080,903</u>	<u>5,638,735</u>
Deduct: Provision for taxation		
Stamp tax	245,114	491,195
Income tax	<u>793,538</u>	<u>1,521,962</u>
	<u>1,038,652</u>	<u>2,013,157</u>
<b>NET EARNINGS FOR THE PERIOD AFTER TAXATION</b>	<u>\$2,042,251</u>	<u>\$3,625,578</u>

**JONAS BROWNE AND HUBBARD (GRENADA) LIMITED  
AND SUBSIDIARY COMPANY  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
AT 31<sup>ST</sup> MARCH, 2004**

	Stated Capital	Retained Earnings	Total
Balance at 1 <sup>st</sup> October, 2002	17,175,750	33,976,497	51,152,247
2003 profit for the year after tax	-	3,625,578	3,625,578
Dividends paid	-	(1,725,000)	(1,725,000)
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Balance at 30 <sup>th</sup> September, 2003	17,175,750	35,877,075	53,052,825
2004 profit for six months after tax	-	2,042,251	2,042,251
Dividends paid	<hr/>	(1,800,000)	(1,800,000)
Balance at 31st March, 2004	<u>\$17,175,750</u>	<u>\$36,119,326</u>	<u>\$53,295,076</u>

**JONAS BROWNE AND HUBBARD (GRENADA) LIMITED  
AND SUBSIDIARY COMPANY  
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS  
ENDED 31<sup>ST</sup> MARCH, 2004 AND YEAR ENDED 30TH SEPTEMBER, 2003**

	<b>2004</b>	<b>2003</b>
<b>OPERATING ACTIVITIES</b>		
Net Profit for period before taxation	3,080,903	5,638,735
Adjustments for:		
Depreciation	539,249	806,356
Gain on disposal of fixed assets	(12,999)	(107,995)
(Decrease)/increase in deposit accounts	145,092	(866,179)
Decrease in accounts receivable	1,224,198	344,046
(Increase)/decrease in inventory	1,199,262	(1,890,053)
Decrease in accounts payable and accrued charges	(839,960)	(117,217)
Increase in investments	-	(999,298)
Decrease/(increase) in other receivables	-	8,402,184
Payment of income tax	(900,580)	(1,857,635)
Cash provided by operating activities	<u>4,435,165</u>	<u>9,352,944</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds of disposal of fixed assets	13,000	108,000
Decrease in mortgages	301,745	135,643
Purchase of fixed assets	(673,424)	(1,368,988)
Cash (used in)/provided by investing activities	<u>(358,679)</u>	<u>(1,125,345)</u>
<b>FINANCING ACTIVITIES</b>		
Payment of dividends	(1,800,000)	(1,725,000)
Cash used in financing activities	<u>(1,800,000)</u>	<u>(1,725,000)</u>
Net increase in cash and cash equivalents	2,276,486	6,502,599
Net cash/(overdraft) - at the beginning of the year	<u>9,712,379</u>	<u>3,209,780</u>
Net cash - at the end of the year	<u>\$11,988,865</u>	<u>\$9,712,379</u>
<b>REPRESENTED BY:</b>		
Cash at bank and on hand	<u>\$11,988,865</u>	<u>\$9,712,379</u>