

ECSE
EASTERN CARIBBEAN SECURITIES EXCHANGE

Annual Report 2015

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED
AND ITS SUBSIDIARY COMPANIES

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GDB281115
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*Investing
in the Future*

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CORPORATE INFORMATION

Board of Directors



The Hon Sir K Dwight Venner - **Chairman**
Governor
Eastern Caribbean Central Bank



Mr D Michael Morton - **Deputy Chairman**
Director
TDC Group of Companies



Mr Peter Blanchard
Managing Director
General Insurance Company Ltd



Mr George S Goodluck
Managing Director
St Vincent Insurances Ltd



Mrs Sephlin Lawrence
Director
St Christopher & Nevis Social Security Board



Mrs Jennifer Nero
Managing Director
Eastern Caribbean Central Bank



Mr Reginald Thomas
Executive Director
National Insurance Services
St Vincent and the Grenadines



Company Secretary
Ms Maria Barthelmy
Adviser – Governor's Office
Eastern Caribbean Central Bank

Management



Mr Trevor E Blake
General Manager/CEO



Mr Tarlie Francis
Senior Manager
Market Operations Division



Mrs Denise Parris-Mertins
Manager
Administration Division

Registered Office

P O Box 94 ♦ Bird Rock ♦ Basseterre ♦ St Kitts

Subsidiary Companies

Eastern Caribbean Central Securities Registry Limited (100%)

Eastern Caribbean Central Securities Depository Limited (100%)

Auditors

KPMG Eastern Caribbean
Cnr Factory Road and Carnival Gardens, St. John's, Antigua

Solicitors

Kelsick, Wilkin & Ferdinand
South Independence Square Street, Basseterre, St Kitts

Bankers

St Kitts-Nevis-Anguilla National Bank Ltd ♦ Central Street, Basseterre, St Kitts

CIBC FirstCaribbean International Bank (Barbados) Ltd ♦ The Circus, Basseterre, St Kitts

STATEMENT OF CORPORATE GOVERNANCE PRINCIPLES

The Eastern Caribbean Securities Exchange Limited (ECSE), the Eastern Caribbean Central Securities Registry Limited (ECCSR) and the Eastern Caribbean Central Securities Depository Limited (ECCSD) continue to promote high standards and principles of corporate governance throughout the Group. This statement of corporate governance practices provides a brief description of the Group's approach to governance.

LEGAL FRAMEWORK

The ECSE was incorporated in the Federation of St Christopher and Nevis under the Companies Act of 1996 as a public limited liability company. It is licensed under the Securities Act of 2001, a uniform regional body of legislation in Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Christopher and Nevis, Saint Lucia, and St Vincent and the Grenadines. The Act provides for the protection of the investing public by creating the Eastern Caribbean Securities Regulatory Commission (ECSRC) that regulates the securities market, securities exchanges, persons engaged in securities business and the public issue of securities. The ECSE facilitates the trading of a range of financial products, including equities, corporate bonds, and government securities.

The ECCSR and ECCSD, both wholly owned subsidiaries of the ECSE, were also incorporated in St Christopher and Nevis in 2001 as public limited liability companies, under the 1996 Companies Act. The ECCSR and ECCSD are also both licensed and regulated by the ECSRC, under the Securities Act of 2001.

BOARD OF DIRECTORS

The Board of Directors of the ECSE is responsible for the strategic guidance of the Company, and is focused on both protecting the interests of all stakeholders and optimizing shareholder value.

The Board of Directors consists of seven members elected in accordance with Article 81 of the Articles of Association of the ECSE. The Directors include regional business leaders and professionals, who bring considerable expertise and experience to the decision-making processes. The Board of Directors typically meets on a bi-monthly basis and regularly reviews the Group's financial and operational performance.

In accordance with the Articles, all of the Directors retire at each Annual General Meeting of the company. Directors are eligible for nomination by their respective classes for re-election to the Board.

BOARD COMMITTEES

Committees of the Board have been established, in accordance with Article 80 of the ECSE's Articles, to enhance the Board's effectiveness in the proper governance of the Group.

The composition of the Committees is as follows:

Executive Committee

The Hon Sir K Dwight Venner – Chairman
Mr D Michael Morton
Mrs Sephlin Lawrence
Mr Trevor E Blake

Audit Committee

Mrs Jennifer Nero – Chairperson
Mrs Sephlin Lawrence
Mr Reginald Thomas

Budget, Finance and Administration Committee

Mr Reginald Thomas – Chairman
Mr Peter Blanchard
Mr George S Goodluck

Listings and Registry Services Committee

Mr D Michael Morton – Chairman
Mr Peter Blanchard
Mr George S Goodluck

Intermediary Development and Market Structure Committee

Mr Peter Blanchard – Chairman
Mr George S Goodluck
Mrs Jennifer Nero

The Company Secretary and the General Manager facilitate the functioning of the Committees.

ECCSR AND ECCSD

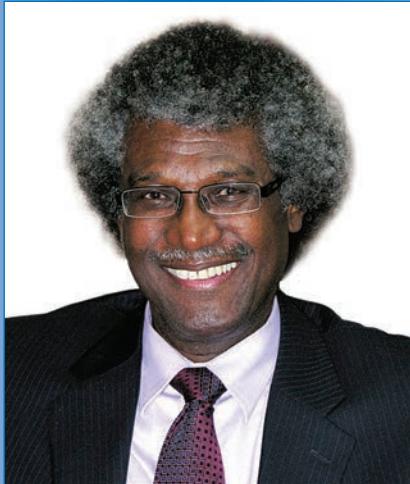
The Boards of Directors of the ECCSR and the ECCSD each comprise five members, drawn from the ECSE's Board of Directors. The composition of both Boards is as follows:

The Hon Sir K Dwight Venner - Chairman
Mr D Michael Morton - Deputy Chairman
Mr Peter Blanchard
Mr George S Goodluck
Mrs Jennifer Nero

Company Secretary

Ms Maria Barthelmy

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors of the Eastern Caribbean Securities Exchange Limited (ECSE), it is my pleasure to present the Annual Report of the ECSE with the audited financial statements for the year ended 31 March 2015.

Moderate recovery in the global economy continued in 2014, with a growth rate of 3.4 per cent being recorded. The USA, our major trading partner, grew by 2.4 per cent. The ECCU, similarly, is estimated to have grown by 2.9 per cent in 2014. From all indications the prospects for further strengthening in the global economy appear encouraging, led by elevated expectations for the US and UK economies. In the ECCU, economic activity is forecasted to grow by 2.63

per cent influenced by a rebound in the construction sector and positive developments in some of the major economic sectors, including construction, hotels and restaurants, transport, storage and communications and agriculture.

Notwithstanding these encouraging signs, the challenges of financial stability, fiscal and debt sustainability and growth and competitiveness persist. Indeed, growth could only be enhanced and sustained in the context of a diversified financial sector comprised of well-developed domestic money and capital markets and institutions. A re-orientation of the financial sector in the region is required with a restructured banking sector, comprised of stronger and well capitalised banks, with very strong risk management and research capabilities, and with complementary capital market institutions, including the Eastern Caribbean Securities Exchange and its subsidiaries, the Eastern Caribbean Home Mortgage Bank, the Eastern Caribbean Enterprise Fund, a consolidated Development Bank, and a regional unit trust.

The ECSE has performed quite well in the 2014/2015 financial year.

At 31 March 2015, there were 109 securities listed on the Exchange and this represented a 19.8 per cent increase over the year. This comprised 89 sovereign debt instruments, seven corporate bonds and 13 equities.

Activity on the primary market, led by auctions on Regional Government Securities Market (RGSM), strengthened in the financial year ended 31 March 2015. The five sovereigns, the Governments of Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines, which are active in the market, issued 56 debt instruments during the year. Together these issues raised a total of \$1.2 billion, 20.9% or \$200 million above the aggregate proceeds in the previous year. The RGSM continues to play a vital role in ECCU Governments' funding operations. Since inception in November 2002, Participating Governments have raised \$8.5 billion on the market.

Of particular note, during the 2014/2015 financial year, was that the discount rate obtained on a Government of Dominica 91-day Treasury bill, fell to a low of 1.0 per cent.

The issuance of corporate securities on the Eastern Caribbean Securities Market (ECSM), however, lagged as only one corporate bond was auctioned. Also, the stock of listed equities, comprising 11 domestic listings and two cross-lists from regional markets, remained unchanged as efforts at obtaining additional listings to date have not been realised.

I am particularly pleased that for another year the secondary market continued to experience increased activity with 17.2 million units of securities traded at an aggregate value of \$18.2 million in 228 transactions. This represented increases of 191.6% in volume and 176.4% in value, compared to the activity in the previous year.

The Eastern Caribbean Central Securities Registry [ECCSR] continued to perform well with positive increases being experienced in most areas of operations. Over the financial year, the number of registrations expanded by 13.5 per cent, corporate action payments increased by 17.7 per cent, and the number of charges registered increased by 8.4 per cent.

I am pleased to report that the ECSE continued to advance its efforts at remaining at the forefront in information technology. The ECSE has embarked on a project to replace its CSD and Trading Applications. It is expected that the rollout of this new IT platform would begin in September 2015.

Shareholders, I am pleased to note that the ECSE has achieved a milestone by crossing the \$1.0 million profit mark. This is the eighth consecutive year within which the ECSE records positive financial results, with the group declaring a net profit of \$1.2 million, a 55.7 per cent increase over the results of the previous financial year. This is commendable given our current challenging economic environment.

As we move into another year of operations, I would like to thank you, the Shareholders, for your continued commitment to the ECSE. I also thank the Board of Directors, management and staff for their commendable efforts during the course of the year.



The Honourable Sir K Dwight Venner
Chairman

REVIEW OF OPERATIONS

Positive economic developments in the USA and the UK in 2014, maintained the global economy on the growth path set in 2013. The world economy grew by 3.4 % in 2014, slightly better than the 3.3 % recorded in 2013, as the recovery gained momentum. Similar growth is forecast for 2015, led by expansions in the USA and other advanced economies; emerging markets, however, appear to be experiencing a broad-based slowdown.

The momentum in the global recovery appears to have positively affected the economic activity in the Eastern Caribbean Currency Union (ECCU). In 2014, real GDP grew by 2.9 %, accelerating from the 1.65 % recorded in 2013, fueled by the robustness of the recovery in the economies of the major trading partners. Increases in value added were recorded in a number of key sectors, including hotels and restaurants, agriculture and transport, storage and communications. Economic activity expanded in six of the eight countries of the ECCU; contractions were recorded in Saint Lucia and St Vincent and the Grenadines. In 2014, consumer prices in the ECCU increased by 1.3 %, on an end-of-period basis, recovering from a decline of 0.2 % in the price level during 2013.

The ECCU economy is forecasted to grow at a largely similar rate in 2015. While the rate may slow in a few of the member countries, all are projected to record positive GDP growth. The continued recovery expectation is based on an anticipated turnaround in the construction sector and improvement in a number of the other key service sectors including hotels and restaurants, transport, storage and communications, wholesale and retail trade, and in agriculture. The positive outlook for the ECCU, however, is contingent on the downside risks in the global economy.

Against this backdrop, the ECSE Group recorded a favorable performance in the financial year ended 31 March 2015. The number of listed securities stood at 109 at year end, reflecting a net gain of 18 new listings. There was a rebound in primary market activity led by the Regional Government Securities Market (RGSM), which recorded a 12% increase in the number of auctions and a 20.9% growth in aggregate auction proceeds. Trading on the secondary market strengthened further in the financial year, with marked increases in the volume and value of securities traded. The EC Share index closed the year 8 basis points higher at 142.63. The registry experienced growth in most areas of operations, recording a strong performance over the year.

The Group reported a favourable financial performance for the year ended 31 March 2015, with profits reaching the million dollar mark for the first time. The net profit of \$1.2 million, derived from revenues of \$3.6 million and expenses of \$2.4 million, was 55.7% above the profits realized in the previous financial year.

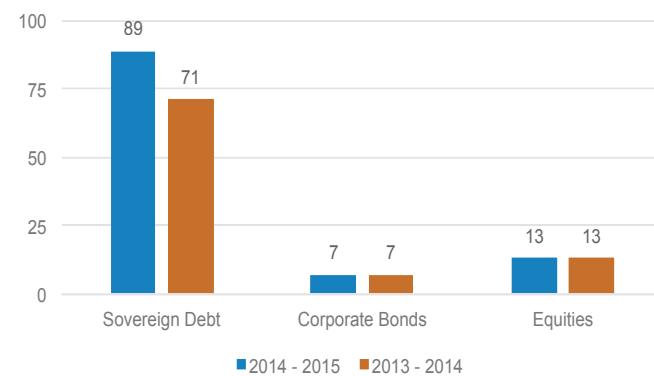
MARKET OPERATIONS

LISTINGS

The number of securities listed on the Exchange increased by 18 or 19.8% over the year to total 109 at 31 March 2015. This comprised 89 sovereign debt instruments, seven corporate bonds and 13 equities. The growth over the year was concentrated in sovereign debt securities, as the number of corporate listings was unchanged.

During the year, 71 new fixed-income securities, 52 Treasury

LISTED SECURITIES

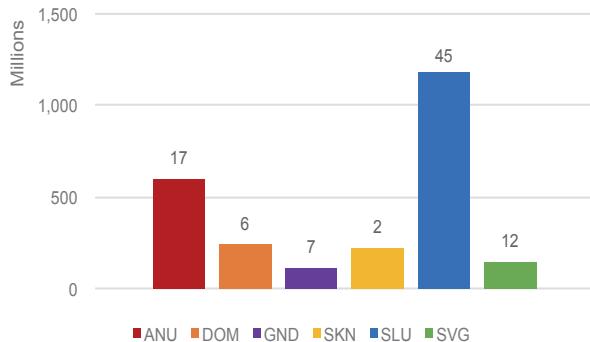


bills, five notes and 14 bonds, were listed on the market. Over the same period, 53 securities, 46 Treasury bills, two notes and five bonds, matured and were redeemed, resulting in the increment of 18 in the number of listings. The movement was concentrated exclusively in sovereign debt securities.

Sovereign Debt Securities

At 31 March 2015, the number of sovereign debt instruments listed on the market stood at 89, having increased by 25% during the year. These securities now represent 81.7% of total market listings, up 370 basis points from the previous year end.

LISTED SOVEREIGN DEBT SECURITIES



The Government of Saint Lucia remained the lead issuer accounting for 50.6% of the listed sovereign debt and 41.3% of the total market listing.

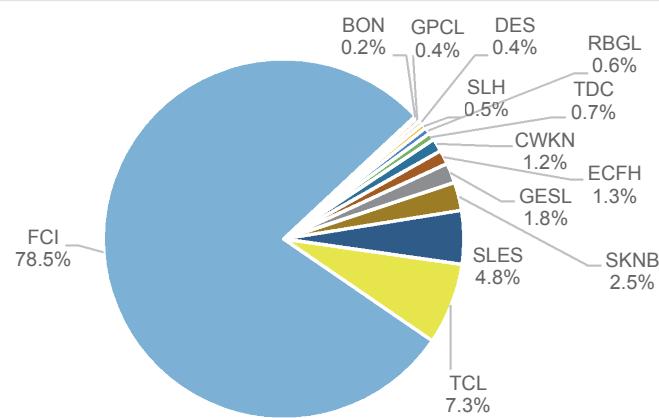
Corporate Securities

The number of corporate securities listed on the Exchange at 31 March 2015 remained at 20, comprising 13 equities and seven bonds. During the year, the sole maturing bond was replaced by another, listed by the same issuer. The seven listed corporate debt securities consisted of bonds with a range of maturities extending up to 10 years. The stock of listed equities, comprising 11 domestic listings and two cross-lists from regional markets, was unchanged.

MARKET CAPITALIZATION

At year-end, the market capitalization of the 13 securities listed on the Exchange totaled \$11.7 billion. This represented a marginal increase of \$1.3 million or 0.01% compared to the position at the previous year-end, as there was only modest growth in equities prices over the year.

MARKET CAPITALIZATION



The share of the market capitalization of each of the 13 listings at 31 March 2015 was broadly on par with the position at the previous year-end. One of the cross-listed equities, CIBC FirstCaribbean International Bank (Barbados) Ltd (FCI), dominated the market with 78.5% of the total capitalization.

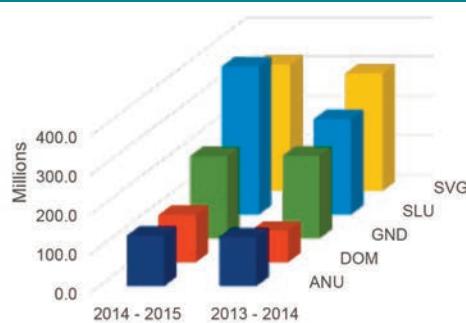
PRIMARY MARKET ACTIVITY

The RGSM, as it was in previous years, was the main source of activity in the primary markets in the financial year ended 31 March 2015. During the year, 57 instruments, which comprised 56 sovereign issues in the RGSM and one corporate bond in the Eastern Caribbean Securities Market, were auctioned on the ECSE's primary issuance platform. The number of auctions increased by 7.5% over the previous year's tally, and the aggregate auction proceeds expanded by \$143.8 million or 13.8%.

RGSM

Activity on the RGSM experienced a resurgence in the financial year ended 31 March 2015, recovering from the contraction recorded in the previous year. The number of RGSM auctions increased by 6 or 12% to 56, as all but one Government increased their activity in the market.

RGSM ACTIVITY



The five sovereigns, the Governments of Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Saint Lucia and St Vincent and the Grenadines, which are active in the market, issued 56 debt instruments during the year. Together these issues raised a total of \$1.2 billion, 20.9% or \$200 million above the aggregate proceeds of the previous year. From inception to date, Governments have raised \$8.5 billion on the RGSM.

The Government of Saint Lucia was the market leader, raising \$376.8 million representing 32.6% of the total proceeds from RGSM auctions, overtaking the Government of St Vincent and the Grenadines which raised \$321.2 million or 27.8% of the

total. Saint Lucia, which auctioned 18 instruments, comprising 13 Treasury bills, three bonds and two notes, recorded a year-on-year increase of 55.1%, while St Vincent and the Grenadines increased its take by 7.6%, issuing 12 bills, a note and a bond. The Government of Dominica, which issued four Treasury bills and two bonds raising \$120.1 million, recorded a strong 50.1% increase year on year.

Of the 56 securities auctioned on the RGSM during the review year, 53 were over-subscribed, evidencing a strong demand for investment products. Overall, an over-subscription level of \$343.1 million or 31.6% was recorded, 28.2% above the level in the previous year. Two of the 56 auctions, one of a 91-day Treasury bill and the other of a three-year note, were undersubscribed.

All of the issuing Governments benefitted from the strong liquidity in the system, albeit to varying extents. Two of the five Governments each had an undersubscribed issue, with a combined shortfall of \$13.4 million or 1.2% of the aggregate offer amount. Also, some Governments experienced very attractive interest rates, while the rates obtained by others remained sticky. Rates on 91-day Treasury bills ranged from 1% to 6.5% during the year, with a mean rate of 4.1%.

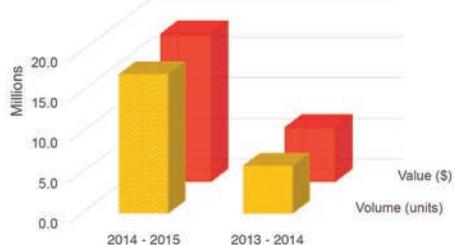
ECSM

The Eastern Caribbean Home Mortgage Bank (ECHMB) continued to be the sole corporate entity issuing securities on the primary market of the Eastern Caribbean Securities Market (ECSM). During the financial year, the ECHMB auctioned a one-year bond that raised \$30.0 million. The sum raised was \$56.2 million or 65.2% lower than the total raised in the three bonds issued in the previous year.

SECONDARY MARKET ACTIVITY

The recovery in secondary market activity experienced in the previous financial year strengthened in the year ended 31 March 2015.

TRADING ACTIVITY



During the year, 17.2 million units of securities traded at an aggregate value of \$18.2 million in 228 transactions. This represented increases of 191.6% in volume and 176.4% in value, compared to the activity in the previous year. The main contributor to this marked increase was the expansion in trades of fixed income securities.

FIXED INCOME

Trades of fixed-income securities during the financial year, which accounted for 92.9% of total secondary market activity, consisted entirely of trades of sovereign debt. There were 24 transactions in which a total of 16.7 million units of sovereign debt securities traded at a value of \$16.9 million. This represented a three-fold increase from the 5.4 million units that traded in the previous year.

EQUITIES

In the year ended 31 March 2015, trading in equities, while not quite as robust as the activity in fixed-income securities, recorded some growth. During the year, 429,098 units of equities traded at a value of \$1.3 million in 204 transactions. While the number of transactions were 5.6% fewer than in the previous year, the traded volume increased by 6.1%.

EQUITIES TRADING



In terms of volume, the market leader in this period was S L Horsford & Co Ltd (SLH), which accounted for 51.5% of the equities traded volume. The East Caribbean Financial Holding Co Ltd (ECFH), was the most actively traded stock, with 23.5% of all equities transactions, followed by St Kitts-Nevis-Anguilla National Bank Ltd (SKNB) with 20.1%, and The Bank of Nevis (BON) with 15.2%.

In addition to the activity on the trading board, 0.4 million units of securities were put through the market in 23 transactions, during the financial year. This represented a marked decline compared to the previous year when 10.7 million units of equities were put through in 35 transactions.

EC-SHARE INDEX

The ECSE EC-Share Index, which stood at 142.52 at the start of the year, increased by 8 basis points to close at 142.63 on 31 March 2015.

EC SHARE INDEX



This increase in the index mainly reflects the gains in the prices of two securities, SKNB and St Lucia Electricity Services Ltd (SLES).

REGISTRY SERVICES

Registry services continued to represent a major part of the Group's operations and to be a primary contributor to the Group's performance. Considerable growth was recorded over the year ended 31 March 2015: the securities' registers maintained increased by 13.3% and corporate actions processed grew by 17.7%.

REGISTRATIONS

At 31 March 2015, the ECCSR maintained the registers for 119 securities on behalf of 18 corporate issuers, six Sovereign and one Local Government. The stock, which grew by 14 or 13.3% over the previous year, comprised 102 fixed income instruments and 17 equities. The ECCSR, in addition, is sub-registrar for two cross-listed equities, Trinidad Cement Limited (TCL) and FCI. Of the total, 96 debt securities and 13 equities were listed on the ECSE.

During the year, 72 new securities were added to the register, representing a 14.3% increase in new registrations over the year. These comprised entirely debt securities, 57 of which originated from primary market auctions, and 15 issued by private placement. During the same period, the registrations of 58 debt securities expired upon redemption on maturity, resulting in the increment of 14. The number of maturing securities, which comprised 54 sovereigns, three corporate bonds and a local government bill, was 18.4% above the number terminating in the previous year.

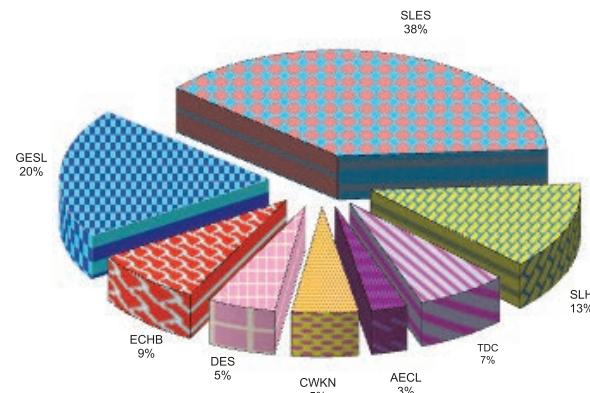
CORPORATE ACTIONS

During the financial year ended 31 March 2015, the number of corporate actions processed increased 17.5% to 228. These included payments totaling \$1.4 billion on behalf of eight corporate and seven sovereign clients. Of the total, \$1.2 billion comprised debt service payments made on behalf of sovereigns, and \$110.4 million for corporate issuers' debt service payment. Dividends amounted to \$29.4 million. The total payout for the financial year represented an increase of \$207.6 million or 17.7% in the amount processed, compared to the previous year.

Dividends

During the year ended 31 March 2015, the ECCSR processed dividends amounting to \$29.4 million to shareholders of eight companies. This was \$2.4 million or 8.7% above the total paid out in the previous year, as most of the client companies declared an improved dividend.

DIVIDEND PAYMENTS



St Lucia Electricity Services Ltd was the largest contributor, paying out \$11.2 million or 39% of the total dividends distributed.

Debt Service Payments

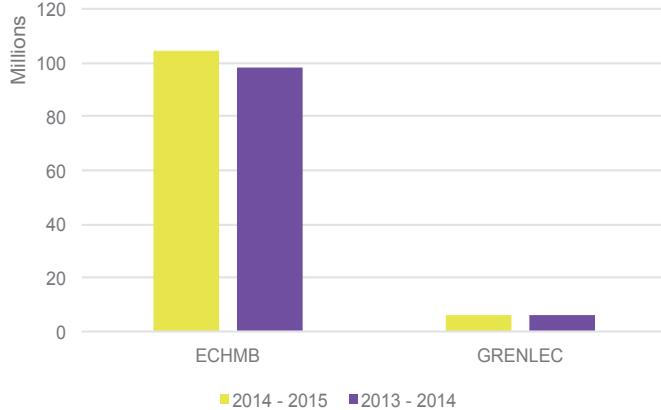
Payments made to holders of sovereign and corporate debt securities during the financial year amounted to \$1.4 billion. This was \$205.3 million or 17.9% above the sum paid in the previous year, as six of the nine issuers recorded higher debt service requirements.

Corporates

The ECCSR made 20 payments of interest and principal totaling \$110.4 million to holders of corporate bonds issued by Eastern Caribbean Home Mortgage Bank and the Grenada Electricity Services Ltd. Although two fewer payments were

made in the year ended 31 March 2015, the sum paid out was \$6.3 million or 6.1% above the payment in the previous year.

CORPORATES – DEBT SERVICE PAYMENTS



Of the total, interest of \$9.8 million was paid on 10 bonds; principal of \$4.8 million was redeemed on an amortising bond and principal of \$95.9 million was redeemed on three maturing bonds.

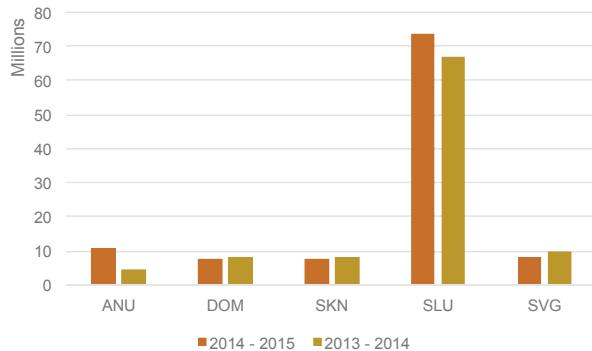
Sovereigns

During the year, payment to holders of sovereign debt securities amounted to \$1.2 billion, increasing by \$199.0 million or 19.1% from the payout in the previous financial year. The Government of Saint Lucia, with payments totaling \$389.6 million, 19.4% above the payout in the previous year, accounted for 31.4% of total disbursements. The \$358.1 million payout, 9% above the previous year's total, by the Government of St Vincent and the Grenadines, represented 28.9%. The Government of Grenada, which recorded payments of \$224.0 million, was also a significant contributor at 18.9% of the total.

Interest

Treasury notes and bonds attracted interest payments of \$107.9 million during the year, \$9.7 million or 9.8% above the sum paid in the previous year. The Government of Saint Lucia, issuer of the largest stock of debt securities in the market, accounted for 68.2% of the total. The Government of Antigua and Barbuda, which increased its interest payment by 134.6% to \$10.8 million, was the next largest contributor, accounting for 10%, displacing the Government of St Vincent and the Grenadines which, with interest payments of \$8.1 million, accounted for 7.5%.

SOVEREIGNS – INTEREST PAYMENTS

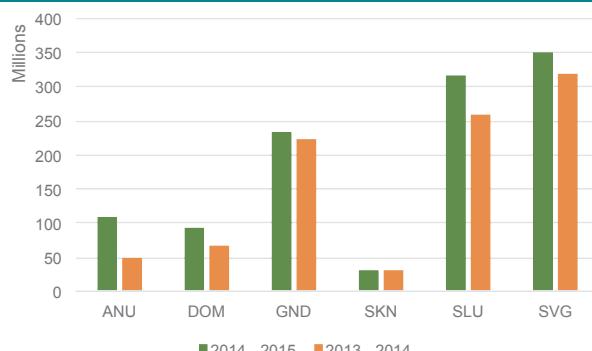


Principal Redemptions

Sovereign debt redemptions totaled \$1.1 billion dollars, increasing by \$189.3 million or 20.1% over the redemptions in the previous year. Treasury bill redemptions which increased by \$136.2 million or 17.1% to \$935.2 million year on year, accounted for 82.5% of the aggregate. Principal repaid on amortising and maturing notes and bonds, which grew by \$53.1 million or 36.6% to \$197.8 million, accounted for 17.5%.

The Government of St Vincent and the Grenadines redeemed 12 Treasury bills and a bond, paying out \$350 million, a \$31.5 million or 9.9% increase from the payout in the previous year. This accounted for 30.9% of total disbursements. The Government of Saint Lucia in redeeming 12 Treasury bills, 2 bonds and a note, paid out \$316.1 million, 22% above the amount redeemed in the previous year. This represented 27.9% of the total principal redemptions. The Government of Antigua and Barbuda, which redeemed seven Treasury bills and a note, increased its disbursements by \$62 million or 129.8% to \$109.9 million. This represented 9.7% of total principal repayments, up from 5.1% in the previous year.

SOVEREIGNS – PRINCIPAL REPAYMENTS



OTHER SERVICES

Charges

At 31 March 2015, the number of charges on the register stood at 425, representing an increase of 33 or 8.4% over the year. The Registry processed 89 Registrations of Charge, five fewer than in the previous financial year and 62 Releases of Charge, one fewer than in the year ended March 2014.

Account Maintenance

The ECCSR processed 1,868 registry service transactions, consisting mainly of asset maintenance and account management activities initiated by securities holders. The level of activity in this financial year fell 2.4% from that recorded in the previous year, when 1,914 of such transactions were processed.

DEPOSITORY ACTIVITY

During the year ended 31 March 2015, the Eastern Caribbean Central Securities Depository Ltd (ECCSD) cleared and settled 1.2 billion units of securities in 926 transactions. This level of activity, which was 14.8% higher than that recorded in the previous year, was attributable mainly to the increase in primary market auctions. There were 1.14 billion units of securities cleared and settled through the depository from 675 primary market transactions. The 251 secondary market transactions generated 16.7 million units for clearance and settlement.



At year-end, 14.6 million units of securities were held in custody at the ECCSD. These comprised 12.6 million units of sovereign debt and 2.0 million units of equities held in the accounts of six participant intermediaries, and a regional CSD.

INTERMEDIARIES

Contraction within the ECSE's intermediary network continued during the financial year. Due to its failure to maintain the staff complement for a licensed broker-dealer prescribed by the Securities Act, the ABI Bank Ltd's license was suspended by

the Eastern Caribbean Securities Regulatory Commission (ECSRC). Consequent on this, ABI Bank's ECSE membership was automatically suspended. At year-end, therefore, there were five ECSE member intermediaries operating in the market.

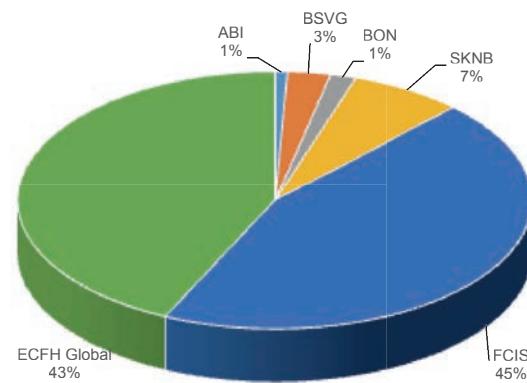
INTERMEDIARY WORKING GROUP

The Intermediary Working Group continued to be quite active during the year. Three formal meetings were held which enabled the Group to deliberate on several matters of mutual interest, including FATCA compliance, the draft common takeover code circulated by the ECSRC, the establishment of a formal broker-dealer association, broker dealer filings, Financial Information Month and the status of the ECSE Group's project for the new CSD and trading platforms.

INTERMEDIARY MARKET ACTIVITY

Broker-dealer activity, as measured by total volume of securities on both the primary and secondary markets, amounted to 1.2 billion units, an increase of 155.1 million units or 14.8% from the volume transacted in the previous financial year. This increase was due mainly to higher volumes in primary market auctions. Two brokers, ECFH Global Investment Solutions Limited (ECFH Global) and First Citizens Investment Services Limited (FCIS), recorded increases in the number of securities traded. ECFH Global increased its volume by 74.3% from 296.9 million units in the previous year to 517.6 million units

BROKERS' BUY-SIDE ACTIVITY

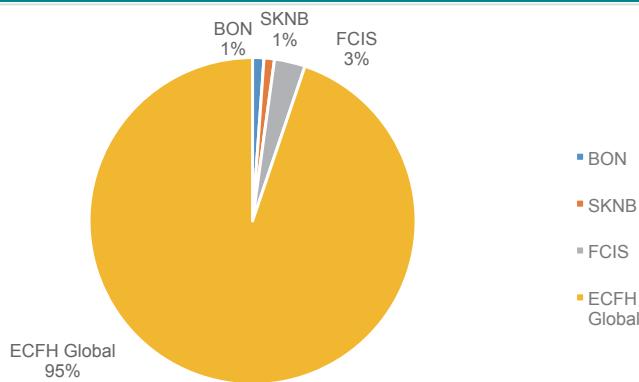


All of the member broker-dealers participated on the buy-side of transactions on both the primary and the secondary markets, with volumes ranging from 9.2 million units to 539.3 million units. FCIS produced the highest volumes, with 539.3

million units representing 44.8% of the aggregate buy-side transactions. ECFH Global and SKNB followed with 515.1 million units or 42.9%, and 85.9 million units or 7.1%, respectively, of the total volume traded.

Five brokers were engaged in sell-side transactions during the year, together placing 17.2 million units of securities. Compared to the previous financial year, this represented an increase of 11.3 million units or 191.5%, reflective of higher volumes of secondary market trades in sovereign securities.

BROKERS' SELL-SIDE ACTIVITY



Four of the five brokers, BON, BSVG, ECFH Global and FCIS recorded increases in sales volumes. The ECFH Global was the market leader with 16.3 million units, representing 94.8% of the market. This was a significant improvement over the 5.5 million units recorded in the previous year.

EDUCATION AND AWARENESS

INFORMATION DISSEMINATION

Public dissemination of reports and media releases continued during the financial year ended 31 March 2015. These included daily market and trading activity reports, financial tips, press releases, issuers' statutory filings and market disclosures, which were published throughout the region via radio, television, and print media. Primary market activity reports on issues auctioned on the RGSM continued to be provided to Bloomberg USA, for access by its subscribers. All of the material disseminated continued to be available on the ECSE's website, www.ecseonline.com.

FINANCIAL INFORMATION MONTH

During October 2014, the ECSE, in conjunction with other financial institutions and other stakeholders, participated in the annual Financial Information Month (FIM) activities coordinated by the ECCB. Activities included participation in the FIM

Business Symposium and Innovative Forum, media appearances, presentations to schools and submission of an article entitled "Investing in Securities" for publication in regional newspapers.

ECSE'S 13TH ANNIVERSARY

October 19, is the anniversary date of the launch of the ECSE's operations and of the ECSM. As is customary, therefore, a number of celebratory activities were held during October 2014 to mark the 13th anniversary. Directors, Management and Staff worshipped at a commemorative church service in Basseterre, along with the Management and Staff of the Eastern Caribbean Central Bank, which was also celebrating an anniversary. In addition, the anniversary was announced in the ECSE's daily news report and the reports issued by ECSE member intermediaries to the regional media. The General Manager was also interviewed on radio about the operations of the ECSE, by the ZIZ Broadcasting Company in St Kitts.

SHAREHOLDER EVENTS

Expansion of the ECSE Group's services to its client issuers continued in 2014-2015 financial year. During the year, the ECCSR facilitated the Annual General Meetings (AGMs) of two companies in Grenada, and operated shareholder service desks at four AGMs. In December, the ECSE facilitated a seminar for shareholders of the Dominica Electricity Services Co Ltd (DES). The presentation focused on shareholder rights and obligations.

YOUTH OUTREACH

Activities involving young people continued to be emphasized in the ECSE's Education and Awareness programmes. The ECSE continued its support to the Junior Achievement Company Programme in St. Kitts and Nevis (JASKN), which seeks to develop entrepreneurship amongst secondary and primary school students. The ECSE is represented on the JASKN Board, and support is provided for its annual programme of activities.

Support of the Young Employee Socialization (YES) programme in St Kitts and Nevis continued with the facilitation of one of the training modules.

In November, a 5th form high school student interested in a career in financial services undertook a one-week attachment at the ECSE.

MEMBERSHIPS & AFFILIATIONS

Membership of strategic industry associations and groupings was maintained during the year, in order to benefit from training and networking opportunities and exposure to information on developments in the securities industry.

Through the ECCSD, the Group continued to play an active role in the Association of Securities Depositories of the Americas (ACSDA), with the General Manager continuing to serve on the ACSDA's Executive Committee.

The ECCSR also continued its membership of the US-based Securities Transfer Association.

Resulting from these and other affiliations, staff participated in a number of events during the year.

DATE	CONFERENCES & MEETINGS
April 2014	ACSDA's 16th General Assembly and Conference in Chile.
	National Association of Administrative Professionals Awards ceremony, St Kitts.
July 2014	Regional Investment Promotion Steering Committee (RIPS), Validation, Trinidad.
	ECCB's Annual Conference with Commercial Banks - St Kitts
November 2014	Regional Investment Promotion Steering Committee (RIPS), Meeting, Dominican Republic.
	ACSDA Senior Summit - Miami, USA
February 2015	Annual General Meeting of the St Christopher-Nevis Chamber of Industry and Commerce.

CORPORATE GOVERNANCE

High standards of corporate governance throughout the Caribbean remained a priority for the ECSE during the financial year. In April, the ECSE collaborated with the Institute of Chartered Secretaries and Administrators/Chartered Secretaries Canada (ICSA/CSC) in the delivery of a Directors' Education and Accreditation Programme (DEAP) seminar in Barbados.

The ECSE also maintained its membership of the Caribbean Association of Audit Committee Members (CAACM), and continued to support its activities.

WORKSHOPS

In January 2015, the ECSE partnered with CariCRIS to host the two-day 'Intensive Credit Risk Programme'. This training activity, which was held in Antigua, attracted a range of risk,

investment and credit professionals from banking and insurance industries.

ADMINISTRATION

PERSONNEL

Milestones

During Financial Year 2014-2015, the General Manager and one member of staff in the Market Operations Division completed 10 years of service with the ECSE Group. Mr Trevor E Blake, and Ms Kerina Browne achieved this milestone in January and March 2015, respectively. Congratulations are extended to Mr Blake and Ms Browne for their long service and valued contributions over the 10 years.

Staff Development

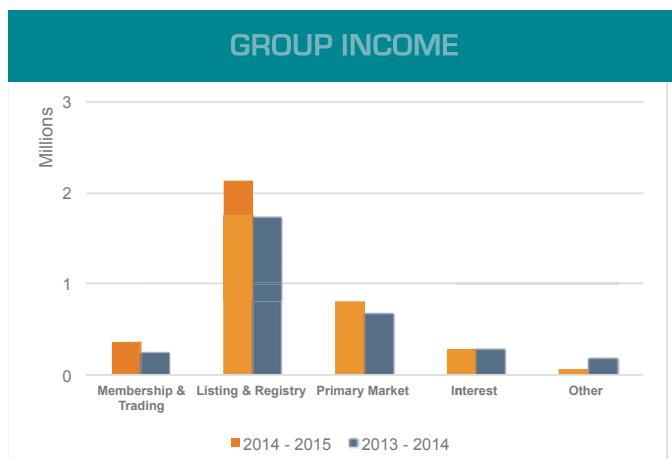
Management of the ECSE continued to assist the staff in developing and maintaining knowledge levels appropriate to their areas of responsibility and in support of functions of the ECSE. Staff were therefore exposed to in-house and external training in a number of critical areas aimed at optimising the effectiveness of the Group's operations.

DATE	TRAINING ACTIVITIES
April 2014	Administrative Professionals Leadership Seminar, St Kitts
July 2014	ACSDA Education Webinar on FATCA, St Kitts
November 2014	"Effective Communication in the Workplace", University of the West Indies, St Kitts
January 2015	"Microsoft Sharepoint Server", Netcom, USA
	"Inventory Management", St Christopher - Nevis Chamber of Industry and Commerce/Caribbean Export Development Agency /The European Union, St Kitts
February 2015	ECCB Customer Relations Management Seminar for Financial Service Providers, St Kitts.
March 2015	Microsoft Office 2013, St Kitts

FINANCIAL PERFORMANCE

The ECSE Group realized a profit of \$1.2 million for the year ended 31 March 2015. This result, which was achieved from revenues of \$3.6 million and expenses of \$2.4 million, represented an increase of \$0.4 or 55.7% over the previous

financial year's results. The Group's revenues expanded by 17.5% over the year while expenditure growth was restricted to 4.6%.



Compensation costs, which remained the major expense item at 63.4% of total expenses, grew just 2.6% over the year. Administrative expenses which account for 21.1% of expenditure, increased 8.2% reflective of the upturn in the Group's activities during the year. Although marked increases were recorded in expenditure on staff training and promotional activities, these accounted for a relatively minor share of overall Group expenditure.

REVENUES

The Group's total revenues amounted to \$3.6 million, increasing by 17.5% over the year.

The growth in revenues resulted from strong performances in the core activities, with revenues from these areas increasing 25.1% and accounting for 90.5% of total revenues compared to 85% in the previous year. Listing and registry Income increased 22.2% to \$2.1 million, and accounted for 58.3% of revenues. Income from primary market activity also increased appreciably, by 21.8% to \$0.8 million, accounting for 22% of total income. Membership and Trading Income recorded a growth of 54.8% to total \$0.4 million and represent 10.2% of overall revenues.

EXPENSES

During the year, expenditure growth was contained at 4.6%, well below the rate of increase in revenues.



DIRECTORS' REPORT

The Directors are pleased to submit their Report for the Financial Year ended 31 March 2015.

Principal Activities

The ECSE Group's principal activities consist of facilitating the primary issuance and secondary trading of corporate and sovereign securities, facilitating the clearance and settlement of issues and trades, maintaining securities holders' records, and providing custodial, registration, transfer agency and paying agency services in respect of listed and non-listed securities. There were no significant changes in the nature of the Group's activities during the year.

The ECSE and its subsidiaries are licensed by the Eastern Caribbean Securities Regulatory Commission, under the provisions of the Securities Act, to carry out these activities.

Directors

In accordance with the Articles of Association, all of the Directors retire by rotation at the Annual General Meeting.

The retiring Directors are eligible for nomination for re-election by their respective shareholder classes.

Directors' Interests

As at 31 March 2015, no Director held a beneficial or other interest in the issued capital of the Company.

At no time during, or at the end of the financial year, did any Director have a material interest in any contract or arrangement in relation to the business of the Company or its subsidiaries.

Financial Results

The Company recorded a net profit of \$1.2 million on a consolidated basis for the year ended 31 March 2015.

Share Capital

The issued and outstanding capital of the Company is comprised entirely of 972,581 common shares. At 31 March 2015, 27,419 shares remained available from the initial offering of 1,000,000 shares.

At 31 March 2015, the following shareholders held 5% or more of the issued capital of the company:

	%
Eastern Caribbean Central Bank	-
	30.85
National Insurance Services, St Vincent and the Grenadines	-
	15.42
Antigua Commercial Bank Ltd	-
	7.97
Bank of St Vincent and the Grenadines Ltd	-
	5.14

Auditors

The auditors, KPMG Eastern Caribbean, Chartered Accountants, retire at the Annual General Meeting (AGM) of the Company. KPMG, being eligible, offer themselves for re-appointment.

The Directors being satisfied with their performance, propose the re-appointment of KPMG Eastern Caribbean as auditors for the financial year ending 31 March 2016.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

We have audited the accompanying consolidated financial statements of Eastern Caribbean Securities Exchange Limited and its Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of March 31, 2015, and the consolidated statements of profit and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 the Group as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Chartered Accountants

July 17, 2015

Antigua and Barbuda

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

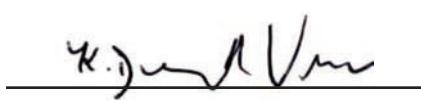
Consolidated Statement of Financial Position

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

	Notes	2015	2014
Assets			
Current Assets:			
Cash and Short-term Funds	6	\$ 25,272,346	20,316,351
Accounts Receivable and Other Assets	7	357,586	646,473
Investments	8	3,980,279	4,960,443
Total Current Assets		<u>29,610,211</u>	<u>25,923,267</u>
Non-current Assets:			
Plant and Equipment	9	497,659	102,478
Intangible Assets	10	1,010,576	26,220
Total Non-current Assets		<u>1,508,235</u>	<u>128,698</u>
Total Assets		<u>\$ 31,118,446</u>	<u>26,051,965</u>
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts Payable and Accruals	11	\$ 21,565,856	17,875,246
Total Current Liabilities		<u>21,565,856</u>	<u>17,875,246</u>
Non-current Liabilities:			
Provisions	12	34,666	7,000
Pension Fund	13	758,987	635,041
Due to Eastern Caribbean Central Bank	14	2,874,845	2,874,845
Total Non-current Liabilities		<u>3,668,498</u>	<u>3,516,886</u>
Total Liabilities		<u>25,234,354</u>	<u>21,392,132</u>
Shareholders' Equity:			
Share Capital	16	9,725,810	9,725,810
Accumulated Deficit		<u>(3,841,718)</u>	<u>(5,065,977)</u>
Total Shareholders' Equity		<u>5,884,092</u>	<u>4,659,833</u>
Total Liabilities and Shareholders' Equity		<u>\$ 31,118,446</u>	<u>26,051,965</u>

Approved by the Board of Directors on 17 July 2015


The Honourable Sir K Dwight Venner
Chairman


Mr. D. Michael Morton
Director

The Notes on pages 22 to 37 are an integral part of these Consolidated Financial Statements.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Other Comprehensive Income

Year ended March 31, 2015

(Expressed in Eastern Caribbean Dollars)

	Notes	<u>2015</u>	<u>2014</u>
Income:			
Listing and Registry Income	\$	2,125,762	1,739,536
Primary Market Income		800,550	657,393
Membership and Trading Income		371,419	239,885
Interest Income		280,939	292,259
Other Income		<u>67,455</u>	<u>173,500</u>
		<u>3,646,125</u>	<u>3,102,573</u>
 General and Administrative Expenses:			
Compensation Costs		1,535,215	1,496,456
Administrative Expenses		511,626	472,837
Software Maintenance		153,951	175,778
Depreciation and Amortisation	9,10	91,479	92,615
Legal and Professional Costs		57,044	45,000
Promotional Activities		52,992	27,003
Staff Training		<u>19,559</u>	<u>6,380</u>
		<u>2,421,866</u>	<u>2,316,069</u>
 Net Profit being Total Comprehensive Income for the Year		 <u>\$ 1,224,259</u>	 <u>786,504</u>
 Earnings per Share	17	 <u>\$ 1.26</u>	 <u>0.81</u>

The Notes on pages 22 to 37 are an integral part of these Consolidated Financial Statements.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Changes in Shareholders' Equity

Year ended March 31, 2015

(Expressed in Eastern Caribbean Dollars)

	Share Capital	Accumulated Deficit	Total
Balance as at March 31, 2013	\$ 9,725,810	(5,852,481)	3,873,329
Total comprehensive income for the year	-	786,504	786,504
Balance as at March 31, 2014	9,725,810	(5,065,977)	4,659,833
Total comprehensive income for the year	-	1,224,259	1,224,259
Balance as at March 31, 2015	\$ 9,725,810	(3,841,718)	5,884,092

The Notes on pages 22 to 37 are an integral part of these Consolidated Financial Statements.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Cash Flows

Year ended March 31, 2015

(Expressed in Eastern Caribbean Dollars)

	Notes	2015	2014
Cash flows from operating activities			
Net profit for the year		\$ 1,224,259	786,504
Adjustments for:			
Depreciation and Amortisation	9,10	91,480	92,615
Interest Income		(280,939)	(292,259)
Write back of Plant and Equipment disposed	9	-	12,078
Operating profit before changes in working capital		1,034,800	598,938
Change in Accounts Receivable and Other Assets		307,974	(232,048)
Change in Accounts Payable and Accruals		3,690,609	2,841,391
Change in Provisions		-	(71,023)
Change in Pension Fund		123,946	83,106
Net cash from operating activities		<u>5,157,329</u>	<u>3,220,364</u>
Cash flows from investing activities			
Purchase of Intangible Assets	10	(1,015,083)	(3,347)
Purchase of Plant and Equipment	9	(455,933)	(22,640)
Disposal of Investments		980,164	232,898
Interest Received		261,852	300,532
Net cash (used in)/from investing activities		<u>(229,000)</u>	<u>507,443</u>
Cash flows from financing activities			
Provisions		27,666	7,000
Net cash from financing activities		<u>27,666</u>	<u>7,000</u>
Increase in cash and short-term funds for the year		4,955,995	3,734,807
Cash and short-term funds at beginning of the year		<u>20,316,351</u>	<u>16,581,544</u>
Cash and short-term funds at the end of the year	\$	<u>25,272,346</u>	<u>20,316,351</u>
Comprised as follows:			
Cash at Bank	6	\$ 25,271,834	20,315,868
Cash in Hand	6	512	483
	\$	<u>25,272,346</u>	<u>20,316,351</u>

The Notes on pages 22 to 37 are an integral part of these Consolidated Financial Statements.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

1 Incorporation and Principal Activity:

The Eastern Caribbean Securities Exchange Limited ("ECSE") was incorporated as a public limited company on May 8, 2001 under the provisions of the Companies Act (No. 22 of 1996) of the laws of St. Christopher and Nevis.

The ECSE carries on business as a regional securities exchange and facilitates the buying and selling of financial products, including corporate and government securities for the member territories of the Eastern Caribbean Currency Union.

The registered office is situated at Bird Rock, Basseterre, St. Kitts.

These consolidated financial statements comprise the ECSE and its subsidiaries (the "Group"). The ECSE's subsidiaries and their activities are as follows:

- ***The Eastern Caribbean Central Securities Registry Limited:***

The Eastern Caribbean Central Securities Registry Limited ("ECCSR") was incorporated as a public limited company on August 2, 2001 under the provisions of the Companies Act (No 22 of 1996) of the laws of Saint Christopher and Nevis. It is a wholly-owned subsidiary of Eastern Caribbean Securities Exchange Limited.

The ECCSR electronically maintains the records of securities on behalf of issuers, which may include listed and non-listed public companies, government related entities, private companies, and individual security holders within the region.

- ***The Eastern Caribbean Central Securities Depository Limited:***

The Eastern Caribbean Central Securities Depository Limited ("ECCSD") was incorporated as a public limited company on August 2, 2001 under the provisions of the Companies Act (No. 22 of 1996) of the laws of Saint Christopher and Nevis. It is a wholly-owned subsidiary of Eastern Caribbean Securities Exchange Limited.

The principal activity of the ECCSD is to perform all services incidental or conducive to the functioning of a central securities depository.

2 Basis of Preparation:

(a) **Statement of Compliance:**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all periods presented in these consolidated financial statements and are set out below.

The consolidated financial statements were authorised by the Board of Directors on July 17, 2015.

(b) **Basis of Measurement:**

These consolidated financial statements have been prepared on the historical cost basis.

(c) **Functional and Presentation Currency:**

The consolidated financial statements are presented in Eastern Caribbean Dollars, which is the Group's functional currency.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

2 Basis of Preparation: *(cont'd)*

(d) Use of Accounting Estimates and Judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

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

3 Significant Accounting Policies:

The significant accounting policies adopted in the preparation of these consolidated financial statements are as follows:

(a) Basis of Consolidation:

These financial statements consolidate those of the Group as of March 31, 2015. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of March 31.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

(b) Foreign Currencies:

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of the Group at the exchange rate in effect at the reporting date. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value is determined. Gains and losses resulting from the settlement of such transactions are recognised in the consolidated statement of profit.

(c) Cash and Short-term Funds:

Cash and short-term funds include cash on hand, cash at banks and restricted amounts held by third party financial institutions.

(d) Accounts Receivables:

Accounts receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less [or in the normal operating cycle of the business if longer], they are classified as current assets. If not, they are presented as non-current assets.

Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of accounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy are considered indicators that the receivables are impaired. As at March 31, 2015, the Group is expected to collect all of its accounts receivables.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

3 Significant Accounting Policies: *[cont'd]*

(e) Plant and Equipment:

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognised in the consolidated statement of profit.

Any gain or loss on disposal of an item of plant and equipment is recognised in the consolidated statement of profit.

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual values using the straight-line method, and is generally recognised in the consolidated statement of profit.

Depreciation is provided on the straight line basis using rates estimated to write off the cost of the assets over their expected useful lives as follows:

Furniture and Fittings	4 years
Computer Equipment - Hardware	5 years
Motor Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible Assets:

Intangible assets are identifiable non-monetary assets without physical substance. These are measured at cost less accumulated amortization and any accumulated impairment losses.

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date.

The estimated useful lives of computer software range from five (5) to seven (7) years.

(g) Accounts Payable and Accruals:

Accounts payable and accruals are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

(h) Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Revenue:

The Group principally derives its revenue from the rendering of services. Revenue is recognised when the amount of revenue can be measured reliably and is probable that the economic benefits associated with the transaction will flow to the Group. It is measured at the fair value of consideration received or receivable excluding trade discounts.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

3 Significant Accounting Policies: *(cont'd)*

(i) Revenue: *(cont'd)*

Revenue is recognised on an accrual basis when the services have been provided.

Interest income is reported on an accrual basis using the effective interest method.

(j) Taxation:

By letter dated May 27, 2003, the Group was granted a ten (10) year tax holiday (Corporation and other taxes).

On May 24, 2012, the Group made application for a further ten (10) year tax holiday.

The Group was granted an extension in respect of taxation relief applicable to the current period. However the matter is still under discussion with the Government of St. Christopher and Nevis.

(k) New and revised accounting standards and interpretations:

- *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)*.

These amendments clarify that:

- an entity currently has a legally enforceable right to set-off if that right is:
 - not contingent on a future event; and
 - enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties; and
- gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:
 - eliminate or result in insignificant credit and liquidity risk; and
 - process receivables and payables in a single settlement process or cycle

- *Amendments to IFRS10, IFRS12 and IAS 2, 'Investment Entities' (IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 27 - Separate Financial Statements) (effective 1 January 2014)*. These amendments apply to an investment entity. The amendment to IFRS 10 defines an investment entity and introduces an exemption from consolidation. The amendment to IFRS 12 also introduces disclosures that an investment entity is required to make.

The amendments apply to investments in subsidiaries, joint ventures and associates held by a reporting entity that meets the definition of an investment entity. The amendment introduced a definition of an investment entity as an entity that (i) obtains funds from investors for the purpose of providing them with investment management services, (ii) commits to its investors that its business purpose is to invest funds solely for capital appreciation or investment income and (iii) measures and evaluates its investments on a fair value basis. An investment entity is required to account for its subsidiaries at fair value through profit or loss, and to consolidate only those subsidiaries that provide services that are related to the entity's investment activities. IFRS 12 was amended to introduce new disclosures, including any significant judgements made in determining whether an entity is an investment entity and information about financial or other support to an unconsolidated subsidiary, whether intended or already provided to the subsidiary. There was no material impact on the Company from adoption of the amended standards during the year.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

3 Significant Accounting Policies: *(cont'd)*

- **IAS 36 - 'Impairment of assets' [Amendment] - Recoverable Amount Disclosures for Non-Financial Assets - (effective January 1, 2014).** The amendments clarify the disclosure requirements in respect of fair value less costs of disposal. The amendments require disclosure of additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal. The amendments also require disclosure of information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal. There was no material impact on the Company from the adoption of these amendments during the year.

4 Standards, amendments and interpretations issued but not yet effective

- **IFRS 9, 'Financial Instruments' (effective 1 January 2018).** In July 2014, the IASB issued IFRS 9 which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL). Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income. The Company is still assessing the potential impact of adoption and whether it should consider early adoption.
- **IAS 16, 'Property, Plant and Equipment' and IAS 38, 'Intangible Assets' [Amendments] - Clarification of Acceptable Methods of Depreciation and Amortisation, (effective 1 January 2016).** In these amendments, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The following new or amended standards are not expected to have a significant impact on the consolidated financial statements:

- *Annual Improvements to IFRSs 2010-2012 Cycle*
- *Annual Improvements to IFRSs 2011-2013 Cycle*
- *IFRS 14 Regulatory Deferral Accounts*
- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)*
- *Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*
- *Equity Method in Separate Financial Statements (Amendments to IAS 27)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*
- *Annual Improvements to IFRSs 2012-2014 Cycle – various standards*

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

5 Financial Instruments:

(a) Recognition, Initial Measurement and Derecognition:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(b) Classification and Subsequent Measurement of Financial Assets:

Financial assets are classified into the following categories upon initial recognition:

- Loans and receivables
- Held-to-maturity investments

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which is described below.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit.

(c) Loans and Receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. The Group's cash and short-term funds and accounts receivable fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific party will default.

(d) Held-to-maturity Investments:

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Group has the intention and ability to hold them until maturity. The Group currently holds investments with maturities in excess of 90 days designated into this category.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes in the carrying amount of the investment, including impairment losses, are recognised in the consolidated statement of profit.

(e) Classification and Subsequent Measurement of Financial Liabilities:

The Group's financial liabilities include Due to Eastern Caribbean Central Bank, Accounts payable and Accruals, Provisions and the Pension Fund.

The Group does not engage in any significant transactions which are speculative in nature.

(i) Interest Rate Risk Exposure:

The Group does not have any significant exposure to interest rate risk.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

5 Financial Instruments: *(cont'd)*

(e) Classification and Subsequent Measurement of Financial Liabilities: *(cont'd)*

(ii) Credit Risk Exposure:

Credit risk arises from the possibility that counterparties may default on their obligations to the Group. The maximum credit risk exposure of financial assets recognised in the consolidated statement of financial position is represented by the carrying amounts of the financial assets.

Concentration of credit risk exists if a number of clients are engaged in similar activities or are located in the same industry sector or have similar economic characteristics such that their ability to meet contractual obligations would be similarly affected in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Management does not believe that the concentration is unusual or provides undue risks.

(iii) Fair Value:

Fair value amounts represent the approximate values at which financial instruments could be exchanged in current transactions between willing parties. However, many of the financial instruments lack an available trading market and therefore, it is not possible to determine independently the estimated fair values. The fair values of financial instruments are considered to approximate their book values.

All non-financial instruments are excluded from fair value disclosure and accordingly, the total fair value amounts cannot be aggregated to determine the underlying value of the Group.

(iv) Liquidity Risk:

In order to manage liquidity risks, management seeks to maintain sufficient levels of cash and short-term funds to meet reasonable expectations of its short term obligations.

The table below analyses the Group's financial assets into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date:

	Due within 1 Year	Total
Financial Assets		
Year ended March 31, 2015		
Cash and Short-Term Funds	\$ 25,272,346	25,272,346
Investments	3,980,279	3,980,279
Accounts Receivable and Other Assets	<u>357,586</u>	<u>357,586</u>
	<u>\$ 29,610,211</u>	<u>29,610,211</u>
Year ended March 31, 2014		
Cash and Short-Term Funds	\$ 20,316,351	20,316,351
Investments	4,960,443	4,960,443
Accounts Receivable and Other Assets	<u>646,473</u>	<u>646,473</u>
	<u>\$ 25,923,267</u>	<u>25,923,267</u>

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

5 Financial Instruments: *(cont'd)*

(iv) Liquidity Risk: *(cont'd)*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

Financial Liabilities	Due within 1 Year	>1 Year to 5 Years	Over 5 Years	Total
Year ended March 31, 2015				
Accounts Payable and Accruals	\$ 21,565,856	-	-	21,565,856
Due to Eastern Caribbean				
Central Bank	-	-	2,874,845	2,874,845
Pension Fund	-	758,987	-	758,987
Provisions	-	34,666	-	34,666
	\$ 21,565,856	793,653	2,874,845	25,234,354

Year ended March 31, 2014

Accounts Payable and Accruals	\$ 17,875,246	-	-	17,875,246
Due to Eastern Caribbean				
Central Bank	-	-	2,874,845	2,874,845
Pension Fund	-	635,041	-	635,041
Provisions	-	7,000	-	7,000
	\$ 17,875,246	642,041	2,874,845	21,392,132

(v) Capital Management:

The Group's policy is to maintain a strong capital base to encourage investor, creditor and market confidences, and to sustain future development of the Group. There were no changes to the way in which the Group manages its capital during the year.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

6 Cash and Short-term Funds:

	Note	2015	2014
Cash with Commercial Banks	13	\$ 25,271,834	20,315,868
Cash on Hand		512	483
Total		<u>\$ 25,272,346</u>	<u>20,316,351</u>

Cash with Commercial Banks mainly consist of:

- (i) Unclaimed securities holders' dividends, interest and maturity payments in the amount of \$9,253,981 (2014: \$8,200,051).
- (ii) Funds held in escrow in the amount of \$11,659,523 (2014: \$9,345,955) representing securities holders' dividends, interest and maturity payments which are withheld for charged accounts and/or at the request of the Court and judicial managers.

7 Accounts Receivable and Other Assets:

	2015	2014
Accounts Receivable	\$ 171,543	430,699
Prepayments	103,316	152,134
Interest Receivable	82,727	63,640
	<u>\$ 357,586</u>	<u>646,473</u>

As at March 31, 2015, the aging of accounts receivable is as follows:

	<u>Total</u>	<u>Neither Past Due nor Impaired</u>	<u>30 to 90 days</u>	<u>Past Due but not Impaired Over 90 days</u>
2015	\$ 171,543	143,826	12,900	14,817
2014	<u>\$ 430,699</u>	<u>406,477</u>	<u>19,897</u>	<u>4,325</u>

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

8 Investments:

	2015	2014
Certificates of Deposits	\$ 3,000,000	3,000,000
Treasury Bill LCB190715 at 4.00%	980,279	-
Treasury Bill VCB260514 at 3.99%	-	990,032
Treasury Bill LCB200714 at 6.00%	-	970,411
	<hr/> \$ 3,980,279	<hr/> 4,960,443

Certificates of Deposits:

The certificates of deposits are held with various financial institutions within the Organisation of Eastern Caribbean States and earn interest at rates varying from 2.00% to 3.75% per annum (2014: 3.00% to 4.75%) per annum.

Treasury Bills:

The Treasury Bills represent investment in the Government of Saint Lucia's 180-day treasury bill, LCB190715 at 4.00% maturing on July 17, 2015.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

9 Plant and Equipment:

	Moto Vehicles	Computer Equipment	Furniture and Fixtures	Total
Cost:				
At March 31, 2013	\$ 176,000	444,625	67,844	688,469
Additions	-	16,140	6,500	22,640
Disposals	-	(12,078)	-	(12,078)
At March 31, 2014	176,000	448,687	74,344	699,031
Additions		455,933	-	455,933
Disposals	-	-	-	-
At March 31, 2015	\$ <u>176,000</u>	<u>904,620</u>	<u>74,344</u>	<u>1,154,964</u>
Depreciation:				
At March 31, 2013	\$ 87,467	398,206	59,943	545,616
Charge for the year	35,200	10,233	6,198	51,631
Written back on disposals	-	(694)	-	(694)
At March 31, 2014	122,667	407,745	66,141	596,553
Charge for the year	35,200	21,105	4,447	60,752
Written back on disposals	-	-	-	-
At March 31, 2015	\$ <u>157,867</u>	<u>428,850</u>	<u>70,588</u>	<u>657,305</u>
Net Book Value:				
At March 31, 2015	\$ <u>18,133</u>	<u>475,770</u>	<u>3,756</u>	<u>497,659</u>
At March 31, 2014	\$ <u>53,333</u>	<u>40,942</u>	<u>8,203</u>	<u>102,478</u>

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements (*cont'd*)

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

10 Intangible Assets:

	2015	2014
Computer Software:		
Cost at beginning of year	\$ 2,471,284	2,467,937
Additions during the year	<u>1,015,083</u>	<u>3,347</u>
Cost at end of year	<u>3,486,367</u>	<u>2,471,284</u>
Accumulated amortisation – beginning of the year	2,445,064	2,403,386
Charge for the year	<u>30,727</u>	<u>41,678</u>
Accumulated amortisation – end of the year	<u>2,475,791</u>	<u>2,445,064</u>
Net Book Value	\$ 1,010,576	26,220

11 Accounts Payable and Accruals:

	Notes	2015	2014
Escrow Liability	6(ii)	\$ 11,659,523	
9,345,955			
Unclaimed Dividends, Interest and Maturity			
Payments	6(i)	9,253,981	
8,200,051			
Due to software supplier		225,000	-
Deferred Income		169,551	127,890
Accruals		<u>136,349</u>	<u>75,534</u>
Holiday Pay Accrual		99,304	113,630
Accounts Payable		<u>22,148</u>	<u>12,186</u>
		\$ 21,565,856	17,875,246

Deferred income represents advanced payments from customers in relation to listing, registry and membership fees.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

12 Provisions:

Provision has been made for gratuities payable to employees on completion of their contract of service to the Group. The amount of \$34,666 (non-current) (2014: \$7,000 non-current) has been provided to date.

13 Pension Fund:

Included in the cash balance of \$25,271,834 (2014: \$20,315,868) is an amount of \$758,987 (2014: \$635,041); (See Note 6). This amount is held pending the establishment of the ECSE Pension Fund at which time the amount will be transferred.

14 Related Party Balances and Transactions:

(a) Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 Related Party Disclosures as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i] has control or joint control over the reporting entity;
 - ii] has significant influence over the reporting entity; or
 - iii] is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i] The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii] One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii] Both entities are joint ventures of the same third party.
 - iv] One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v] The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

14 Related Party Balances and Transactions: *(cont'd)*

(a) Related party: *(cont'd)*

- b) An entity is related to a reporting entity if any of the following conditions applies: *(cont'd)*
 - vi] The entity is controlled, or jointly controlled by a person identified in (a).
 - vii] A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a] a government that has control or joint control of, or significant influence over, the reporting entity, and
- b] another entity that is a related party because the same government has control or joint control of or significant influence over, both the reporting entity and the other entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(b) Due to Eastern Caribbean Central Bank:

The amount of \$2,874,845 (2014: \$2,874,845) represents advances made by the Eastern Caribbean Central Bank to finance the establishment costs of the Group.

(c) Key Management Compensation

The salaries, fees and benefits paid to key management personnel of the Group during the year amounted to \$665,341 (2014: \$657,725). The following is an analysis of these amounts:

	2015	2014
Salaries and other short-term employee benefits	\$ 593,812	586,823
Post-employment benefits	<u>71,529</u>	<u>70,902</u>
	\$ 665,341	657,725

During the year under review, the Eastern Caribbean Central Bank provided certain professional and other services at no cost to the Group.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *[cont'd]*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

15 Additional Financial Support

Subsequent to March 31, 2015, the Eastern Caribbean Central Bank has given the following undertaking and guarantee in respect of the Group:

1. An undertaking to postpone all claims in respect of present and future funds advanced to the Group by the Eastern Caribbean Central Bank up to year ending March 31, 2016 (balance at March 31, 2015, EC\$2,874,845);
2. Guarantee cover in the event of a budgeted shortfall in respect of the Group for the fiscal year ending March 31, 2016, but not to exceed EC\$2,000,000.

The above undertaking and guarantee will be reviewed at March 31, 2016 and are irrevocable before this date.

16 Share Capital:

		2015	2014
Authorised: 5,000,000 Shares of \$10 each	\$	50,000,000	50,000,000

Subscribed Capital:

Class	No. of Shares Issued at March 31, 2013	Shares Issued During the Year	No. of Shares Issued at March 31, 2015	Nominal Value	
				2015	2014
Class A	300,000	-	300,000	3,000,000	3,000,000
Class B	287,500	-	287,500	2,875,000	2,875,000
Class C	370,081	-	370,081	3,700,810	3,700,810
Class D	15,000	-	15,000	150,000	150,000
	972,581	-	972,581	9,725,810	9,725,810

The classes are divided as follows:

- Class A Eastern Caribbean Central Bank;
Class B Social Security Schemes, National Insurance Boards, Government owned or controlled institutions other than Government owned or controlled financial intermediaries;
Class C Financial institutions;
Class D Persons or institutions not covered in classes A to C.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements *(cont'd)*

March 31, 2015

(Expressed in Eastern Caribbean Dollars)

16 Share Capital: *(cont'd)*

Class Rights

- a) Other than the Eastern Caribbean Central Bank (Class A) no single shareholder shall hold, whether beneficially or otherwise, more than 20% of the issued share capital of the Group.
- b)
 - i Classes holding 50% or more of the issued capital are allowed to nominate three (3) directors.
 - ii Classes holding between 20% and 49% of the issued capital are allowed to nominate two (2) directors.
 - iii Classes holding less than 20% of the issued capital are allowed to nominate one (1) director.

17 Earnings per Share:

The calculation of basic earnings per share is based on the following data:

		2015	2014
Earnings			
Net profit for the year	\$	1,224,259	786,504
Number of Shares			
Weighted average number of Ordinary shares		972,581	972,581
Earnings per Share	\$	1.26	0.81

18 Contingent Liabilities and Capital Commitments:

The Group has capital commitments as at March 31, 2015 of \$1,080,000 (2014: \$1,620,000) in respect of the license agreement between the Group and software suppliers, entered on February 24, 2014, for the development of a new Central Securities Depository (CSD) and trading applications.

The future payments are as follows:

		2015	2014
Not later than 1 year	\$	540,000	540,000
Later than 1 year and not later than 3 years		540,000	1,080,000
	\$	1,080,000	1,620,000

LISTED SECURITIES AT 31 MARCH 2015

ISSUER	EQUITIES	TRADING SYMBOL
 CABLE & WIRELES	Cable & Wireless St Kitts & Nevis Limited	CWKN
	Dominica Electricity Services Limited	DES
 ECFH East Caribbean Financial Holding Company Limited	East Caribbean Financial Holding Company Limited	ECFH
	CIBC FirstCaribbean International Bank Limited	FCI
	Grenada Electricity Services Limited	GESL
	Grenreal Property Corporation Limited	GPCL
	Republic Bank (Grenada) Limited	RBGL
	S L Horsford and Company Limited	SLH
	St Kitts-Nevis-Anguilla National Bank Limited	SKNB
	St Kitts Nevis Anguilla Trading and Development Company Limited	TDC
	St Lucia Electricity Services Limited	SLES
	The Bank of Nevis Limited	BON
	Trinidad Cement Limited	TCL

LISTED SECURITIES AT 31 MARCH 2015 CONT'D

ISSUER	Corporate Debt	TRADING SYMBOL
	Eastern Caribbean Home Mortgage Bank	HMB020715; HMB0715AA HMB300116; HMB010716 HMB280916; HMB260317
	Grenada Electricity Services Limited	GES191217
Sovereign Debt		
	Antigua and Barbuda	AGB060515; AGB250515 AGB270615; AGB091015 AGB260216; AGN280716 AGN060916; AGG051218 AGG050319; AGG100721 AGG151228; AGG300740 FAG101015; FAG070720 FAG070121; FAG100923 FAG150626
	The Commonwealth of Dominica	DMB260615; DMG051117 DMG050719; DMG050220 DMG200624; DMG300634
	Grenada	GDB170415; GDB150515 GDB180715; GDB010815 GDB220915; GDB101015 GDB281115
	The Federation of St Kitts and Nevis	KNG450457 FKG200432
	Saint Lucia	LCB180415; LCB140515 LCB220515; LCB280615 LCB190715; LCN291115 LCN291016; LCN250819 LCN141019; LCG060715 LCG101015; LCG100116 LCG100816; LCG101017 LCG101117; LCG100118 LCG0318AA; LCG080718 LCG100718; LCG060219 LCG061019; LCG071019 LCG061119; LCG0611AA LCG0611AB; LCG070320 LCG080320; LCG080721 LCG080921; LCG100322 LCG101222; LCG100223 LCG100623; LCG100524 LCG101124; LCG150729 FLN291115; FLN010916 FLN200717; FLG061215 FLG060216; FLG101017 FLG061119; FLG070719 FLG100722
	St Vincent and the Grenadines	VCB050515; VCB030615 VCN240717; VCN2417AA VCG070316; VCG0316AA VCG0316AB; VCG100816 VCG100917; VCG070821 VCG100422; VCG100323

MEMBER INTERMEDIARIES AT 31 MARCH 2015

INTERMEDIARY

PLACE OF BUSINESS

**Bank of St Vincent and the
Grenadines Limited**



**St Vincent and the
Grenadines**

**ECFH Global Investment
Solutions Limited**



Saint Lucia

**First Citizens Investment
Services Limited**



**Saint Lucia and
Trinidad and Tobago**

**St Kitts-Nevis-Anguilla
National Bank Limited**



St Kitts and Nevis

The Bank of Nevis Limited



St Kitts and Nevis



**Eastern Caribbean Securities Exchange Limited
and its Subsidiaries**

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