

**Schedule 3  
FORM ECSRC - Q**

**(Select One)**

Quarterly Report  
For the period ended - **31<sup>st</sup> July, 2008**

or

TRANSITION REPORT \_\_\_\_\_  
**(Applicable where there is a change in reporting issuer's financial year)**

For the transition period from \_\_\_\_\_

Issuer Registration Number: **TDC081098KN**

**St Kitts Nevis Anguilla Trading and Development Company Limited**  
(Exact name of reporting issuer as specified in its charter)

**Saint Christopher and Nevis**  
(Territory or jurisdiction of incorporation )

**Fort Street, Basseterre, St Kitts**  
(Address of principal executive Offices)

(Reporting issuer's:

Telephone number (including area code): **(869) 465 - 2511**

Fax number: **(869) 465 - 1099**

Email address: **tdc@sisterisles.kn**

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(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuer's classes of common stock, as of the date of completion of this report. **52,000,000**

| CLASS                            | NUMBER     |
|----------------------------------|------------|
| Ordinary shares of EC\$1.00 each | 52,000,000 |
|                                  |            |
|                                  |            |
|                                  |            |

**SIGNATURES**

Name of Chief Executive Officer:

Name of Director:

**Dennis Michael Arthur Morton**

**Earle Austin Kelly**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date January 11th, 2009.

\_\_\_\_\_  
Date January 11th, 2009.

## INFORMATION TO BE INCLUDED IN THE REPORT

### 1. Financial Statements

Provide quarterly Financial Statements in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

- (a) (Condensed Balance Sheet as of the end of the most recent financial year and just concluded quarter.
- (b) Condensed Statement of Income for the interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
- (c) Condensed Statement of Cash Flows for the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
- (d) Examples of financial data items to be included in constructing financial statements for various types of businesses are provided in Parts A-D. These items are meant to serve as guidelines only.
- (e) By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

### 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Discuss reporting issuer's financial condition, changes in financial condition and results of operations during the reporting period. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim quarterly report. The broad areas of discussions should centre around liquidity, capital resources and results of operations. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

**During the quarter, the company cancelled all its outstanding shares with a stated value of \$5.00 each (total of 5,200,000) and simultaneously issued 5 shares with a stated value of \$1.00 each ( total of 26,000,000) for every \$5.00 share. The company subsequently issued a bonus share for every share held from Accumulated Reserves (total of 26,000,000). As a result, a total of 52,000,000 shares with a stated value of \$1.00 each are now outstanding.**

**At 31 July 2008, the total bank debts stood at \$40,012,047 compared to \$41,905,072 at the same time last year. The Company took no long-term borrowings during the period. The**

**Group debt to equity profile is low. Our debt as a percentage of equity and debt was 21%, compared to 27% at the end of the previous financial year.**

**Net cash flows from operating activities were \$4,933,039. Net Cash outflows in investing activities utilized \$2,352,756 primarily due to the purchase and upgrade of fixed assets and the purchase of investments. The loan to a local company, set up to acquire and develop a major resort in Nevis, was liquidated during the period.**

**Net Cash used for financing activities in the period was \$3,531,576. Dividends paid totalled \$1,690,000.**

**Net Income for the second quarter, before taxation, totalled \$4,243,515 and for the year to date \$8,236,791. The Year to Date Net Loss, after taxation of \$987,445 resulted from the Deferred Taxation charge of \$5,988,587. This charge is as a result of the directors' decision to pursue full compliance with IFRS. During the period the Trading Divisions, Insurance, Finance, Travel / Aircraft Handling and Hire Purchase businesses had good results. The Hotel and Tours businesses generated disappointing results. The ongoing real estate developments indicate positive prospects.**

**Our Associated Company that manufactures concrete products generated good results. The beverage bottling associate ended its financial year in June with a marginal Net Income. However, the future of that business has improved as the operational disruptions and difficulties associated with the installation and commissioning of a new bottling line are being rectified.**

**The company's financial condition and Balance Sheet remain relatively strong. At 31 July 2008, the company had \$20,609,022 in Cash and Short-term Investments and the Group Equity stood at \$147,878,904.**

**(a) Liquidity**

Identify any known trends or commitments, demands, events that will result in or that are reasonably likely to result in the reporting issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.

**(b) Capital Resources**

Describe the reporting issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments. Describe any material trends, favourable or unfavourable in the reporting issuer's capital resources and any expected change in mix. The discussion should consider changes between equity, debt and any off-balance sheet financing arrangements.

(c) **Results of Operation.**

Describe any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and in each case indicate the extent the income was so affected. Describe any known trends or uncertainties that have had or that the reporting issuer reasonably expects will have a material favourable or unfavourable impact on net sales or revenues or income from continuing operations. If the reporting issuer knows of events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), the changes in relationship should be disclosed.

**3. Disclosure of Risk Factors.**

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements and only include factors that are unique to the company. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

**We have not observed any risks unique to the company that may have a dramatic impact on its results of operations or financial condition.**

**4. Legal Proceedings.**

A legal proceeding need only be reported in the ECSRC - Q filed for the quarter in which it first became a reportable event and in subsequent quarterly reports in which there have been material developments. Subsequent Form ECSRC - Q filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

**There were no legal proceedings that had a material effect on the Company.**

**5. Changes in Securities and Use of Proceeds.**

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

- (b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:
- Offer opening date (provide explanation if different from date disclosed in the registration statement)
  - Offer closing date (provide explanation if different from date disclosed in the registration statement)
  - Name and address of underwriter(s)
  - Amount of expenses incurred in connection with the offer
  - Net proceeds of the issue and a schedule of its use
  - Payments to associated persons and the purpose for such payments
- (b) Report any working capital restrictions and other limitations upon the payment of dividends.

**There were no changes in securities or use of proceeds that occurred in this period.**

#### **6. Defaults Upon Senior Securities.**

- (a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund instalment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 percent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund instalment, state the amount of the default and the total arrears on the date of filing this report.
- (b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

**There was no default in the payment of any security in the period.  
The dividend that was declared was paid.**

## Submission of Matters to a Vote of Security Holders.

If any matter was submitted during the period covered by this report to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.

**The Annual General Meeting (AGM) was held on 24<sup>th</sup> June 2008.**

- (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

**Jacques A Cramer, Charles L Wilkin, Clive R Ottley and Earle A Kelly were unanimously re-elected.**

**Kenneth N Kelly, Myrna R Walwyn, Melvin R Edwards, D Michael Morton, Ernie France and Nicolas N Menon continued in office.**

- (c) A brief description of each other matter voted upon at the meeting and state the number of votes cast for or against as well as the number of abstentions as to each such matter, including a separate tabulation with respect to each nominee for office.

- 1. A final dividend of 32.5 cents per share was approved.**
- 2. Pannell Kerr Forster, Chartered Accountants were re-elected as Auditors for the ensuing year.**
- 3. The following Resolutions were considered and unanimously approved:**

*“Be it resolved that the stated value of the Company’s shares be changed from \$5.00 to \$1.00 each and that each of the existing shares of a stated value of \$5.00 each in the capital of the Company be subdivided in to five shares of a stated value of \$1.00”.*

*“Be it resolved that the sum of \$26,000,000 being part of the amount standing to the credit of the reserves of the Company be capitalized and that the same be applied in making payment in full at stated value for 26,000,000 shares of \$1.00 each in the Capital of the Company such shares to be distributed as fully paid among the persons who were registered as holders of the ordinary shares of the Company in the capital of the Company on the 24<sup>th</sup> day of June 2008 at the rate of one fully paid share for every one ordinary share of \$1.00 each of the Company held by such holders respectively such fully paid shares to rank for dividend as from the 1<sup>st</sup> day of August 2008”.*

- (d) A description of the terms of any settlement between the registrant and any other participant.

N/A

- (e) Relevant details of any matter where decision was taken otherwise than at a meeting of such security holders. N/A

**7. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC - MC report (related to disclosure of material information), with respect to which information is not otherwise called for by this form. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC - MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC - Q report.