EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Financial Statements

March 31, 2018

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

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KPMG
2nd Floor, ABI Financial Centre
156 Redcliffe Street
P.O Box W388
St. John's
Antigua
Telephone: 1 (268) 562-9172
Email: ecinfo@kpmg.ag

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Eastern Caribbean Securities Exchange Limited and its Subsidiary Companies ("the Group"), which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Barbados and the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

KPMG

INDEPENDENT AUDITORS' REPORT, continued

To the Shareholders of
EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements, continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Chartered Accountants
Bridgetown, Barbados
July 19, 2018

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Financial Position

March 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes		2018	2017
Assets				
Current Assets				
Cash and cash equivalents	6	$	90,555,298	26,400,764
Accounts receivable and other assets	7		759,740	908,696
Investments	8		7,957,560	6,955,333
Total Current Assets			99,272,598	34,264,793
Non-current Assets				
Plant and equipment	9		347,776	462,909
Intangible assets	10		1,394,899	1,674,931
Total Non-current Assets			1,742,675	2,137,840
Total Assets		$	101,015,273	36,402,633
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accruals	11	$	87,782,750	24,532,054
Total Current Liabilities			87,782,750	24,532,054
Non-current Liabilities				
Provisions	12		72,712	14,063
Pension fund	13		930,332	824,022
Due to Eastern Caribbean Central Bank	14		2,874,845	2,874,845
Total Non-current Liabilities			3,877,889	3,712,930
Total Liabilities			91,660,639	28,244,984
Shareholders' Equity				
Share capital	16		9,725,810	9,725,810
Accumulated deficit			(371,176)	(1,568,161)
Total Shareholders' Equity			9,354,634	8,157,649
Total Liabilities and Shareholders' Equity		$	101,015,273	36,402,633

Approved for issue by the Board of Directors on 19th July, 2018 and signed on its behalf by:

Mr D Michael Morton
Deputy Chairman

Mr Trevor E Blake
Managing Director

The notes on pages 9 to 24 are an integral part of these consolidated financial statements.

EASTERN CARIBBEAN SECURITIES EXCHANGE LIMITED AND ITS SUBSIDIARY COMPANIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended March 31, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes		2018	2017
Income				
Listing and registry income		$	2,594,151	2,294,392
Primary market income			1,104,802	740,383
Membership and trading income			601,528	391,839
Interest income			218,244	213,097
Other income	19		74,796	232,563
			4,593,521	3,872,274
General and Administrative Expenses				
Compensation costs			1,810,277	1,748,614
Administrative expenses			632,630	662,390
Depreciation and amortisation	9,10		433,676	301,856
Software maintenance			343,006	185,976
Staff training			12,436	64,485
Legal and professional costs			49,731	62,453
Promotional activities			72,817	55,827
Bad debt	7		41,963	-
			3,396,536	3,081,601
Net Profit, being Total Comprehensive Income for the Year		$	1,196,985	790,673
Earnings per Share	17	$	1.23	0.81

The notes on pages 9 to 24 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, 2018

(Expressed in Eastern Caribbean Dollars)

		Share Capital	Accumulated Deficit	Total
Balance as at March 31, 2016	$	9,725,810	(2,358,834)	7,366,976
Net profit, being total comprehensive income for the year		-	790,673	790,673
Balance as at March 31, 2017		9,725,810	(1,568,161)	8,157,649
Net profit, being total comprehensive income for the year		-	1,196,985	1,196,985
Balance as at March 31, 2018	$	9,725,810	(371,176)	9,354,634

The notes on pages 9 to 24 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, 2018

(Expressed in Eastern Caribbean Dollars)

	Notes		2018	2017
Cash flows from operating activities				
Net profit for the year		$	1,196,985	790,673
Adjustments for:				
Depreciation and amortisation	9,10		433,676	301,856
Interest income			(218,244)	(213,097)
Bad debt	7		41,963	-
Operating profit before changes in working capital			1,454,380	879,432
Change in accounts receivable and other assets			103,222	(447,592)
Change in accounts payable and accruals			63,250,696	(12,822,224)
Change in provisions			58,649	(76,001)
Change in pension fund			106,310	104,761
Net cash from (used in) operating activities			64,973,257	(12,361,624)
Cash flows from investing activities				
Purchase of intangible assets	10		-	(315,000)
Purchase of plant and equipment	9		(38,511)	(4,795)
Purchase of investments			(1,002,227)	(19,455)
Interest received			222,015	217,036
Net cash used in investing activities			(818,723)	(122,214)
Increase (decrease) in cash and cash equivalents during the year			64,154,534	(12,483,838)
Cash and cash equivalents at the beginning of the year			26,400,764	38,884,602
Cash and cash equivalents at the end of the year		$	90,555,298	26,400,764
Comprised as follows:				
Cash at bank		$	90,555,274	26,400,474
Cash on hand			24	290
		$	90,555,298	26,400,764

The notes on pages 9 to 24 are an integral part of these consolidated financial statements.

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 the performance of 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 authorized for issue by the Board of Directors on July 19, 2018.

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

(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, rounded to the nearest dollar.

(d) *Use of Accounting Estimates and Judgments:*
In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's 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, 2018. 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 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) *Cash and Cash Equivalents:*
Cash and cash equivalents include cash on hand, cash at banks and restricted amounts held by third party financial institutions with an original maturity date of three months or less.

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

(c) Accounts Receivable:

Accounts receivable 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 receivable 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 receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the 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, 2018, the Group is expected to collect all of its accounts receivable.

(d) 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 or loss and other comprehensive income.

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

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 or loss and other comprehensive income.

Depreciation is provided on the straight line basis using rates estimated to write off the depreciable 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.

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

(e) Intangible Assets:

Intangible assets are identifiable non-monetary assets without physical substance. These are measured at cost less accumulated amortisation 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 the 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.

(f) 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.

(g) 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.

(h) 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 its 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.

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

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

(i) 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.

4. Standards, amendments and interpretations issued but not yet effective

Certain new standards, amendments and interpretations have been issued which are not yet effective for the current financial year and which the Group have not early-adopted. The Group is currently assessing the impact of adopting these standards, amendments and interpretations and has determined that the following may be relevant to its operations:

- IFRS 9, '*Financial Instruments'* (effective for annual periods beginning on or after 1 January 2018). In July 2015, 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. 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.

  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).

  Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect the asset's cash flows, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.

  Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

  IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables).

4. Standards, amendments and interpretations issued but not yet effective *(cont'd)*

Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

- IFRS 15, '*Revenue from Contracts with Customers'*, (effective for annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

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 or loss and other comprehensive income.

5. Financial Instruments *(cont'd)*

(c) Loans and receivables:

Accounts receivable 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 cash equivalents 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 or loss and other comprehensive income.

(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.

Financial Risk Management:

(i) Interest Rate Risk Exposure:

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

(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 locations.

5. Financial Instruments *(cont'd)*

Financial Risk Management *(cont'd)*

(ii) *Credit Risk Exposure*: *(cont'd)*
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 cash equivalents 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:

Financial Assets		**Due within 1 Year**	**Total**
Year ended March 31, 2018			
Cash and cash equivalents	$	90,555,298	90,555,298
Investments		7,957,560	7,957,560
Accounts receivable and other assets		550,322	550,322
	$	99,063,180	99,063,180
Year ended March 31, 2017			
Cash and cash equivalents	$	26,400,764	26,400,764
Investments		6,955,333	6,955,333
Accounts receivable and other assets		750,988	750,988
	$	34,107,085	34,107,085

5. Financial Instruments *(cont'd)*

Financial Risk Management *(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, 2018					
Accounts payable and accruals	$	87,782,750	-	-	87,782,750
Due to Eastern Caribbean Central Bank		-	-	2,874,845	2,874,845
Pension fund		-	930,332	-	930,332
Provisions		-	72,712	-	72,712
	$	87,782,750	1,003,044	2,874,845	91,660,639
Year ended March 31, 2017					
Accounts payable and accruals	$	24,532,054	-	-	24,532,054
Due to Eastern Caribbean Central Bank		-	-	2,874,845	2,874,845
Pension fund		-	824,022	-	824,022
Provisions		-	14,063	-	14,063
	$	24,532,054	838,085	2,874,845	28,244,984

(v) Capital Management:

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

6. Cash and Cash Equivalents

	Notes		2018	2017
Cash with commercial banks	13	$	90,555,274	26,400,474
Cash on hand			24	290
Total		$	90,555,298	26,400,764

Cash with Commercial Banks mainly consist of:

(i) Unclaimed securities holders' dividends, interest and maturity payments in the amount of $83,715,144 (2017: $20,427,356).

(ii) Funds held in escrow in the amount of $3,591,040 (2017: $3,555,810) representing securities holders' dividends, interest and maturity payments which are withheld for charged/pledged accounts and/or at the request of the Court.

(iii) Included in the cash balance is an amount of $930,332 (2017: $824,022) which is set aside for the establishment of the ECSE Pension Fund. (See Note 13).

7. Accounts Receivable and Other Assets

		2018	2017
Accounts receivable	$	473,648	670,543
Prepayments		209,418	157,708
Interest receivable		76,674	80,445
	$	759,740	908,696

During the year ended March 31, 2018, the Company wrote off receivables valued $41,963 (2017: Nil).

As at March 31, 2018, the aging of accounts receivable was as follows:

				Past Due but not Impaired	
		Total	Neither Past Due nor Impaired	30 to 90 days	Over 90 days
2018	$	473,648	173,472	228,901	71,275
2017	$	670,543	263,201	395,897	11,445

8. Investments

		2018	2017
Certificates of Deposit	$	3,015,000	3,000,000
Treasury Bill DMB040518 @ 5.91%		985,262	-
Treasury Bill LCB170718 @ 2.96%		985,421	-
Treasury Bill LCB070818 @ 3.44%		983,033	-
Treasury Bill LCB140618 @ 2.48%		993,806	-
Treasury Bill VCB40618 @ 1.99%		995,038	
Treasury Bill LCB180717 at 1.98%		-	990,233
Treasury Bill LCB270617 at 3.83%		-	981,130
Treasury Bill VCB180417 at 2.98%		-	991,394
Treasury Bill LCB140617 at 3.45%		-	992,576
	$	7,957,560	6,955,333

Certificates of Deposit:
The certificates of deposit are held with various licensed commercial banks within the Organisation of Eastern Caribbean States and earn interest at rates varying from 1.50% to 3.00% per annum (2017: 1.50% to 3.00%) per annum.

Treasury Bills:

The treasury bills represent investment in the Government of Saint Lucia's 91-day treasury bill, LCB140618 at 2.48% maturing on 14 June 2018, Government of St Vincent's 91-day treasury bill, VCB040618 at 1.99% maturing on 04 June 2018, Government of St Lucia 180-day treasury bills: LCB170718 at 2.96% maturing on 17 July 2018, LCB070818 at 3.441% maturing on 07 August 2018 and Government of Dominica's 91-day treasury bill, DMB040518 at 5.912% maturing on 04 May 2018.

9. Plant and Equipment

		Motor Vehicles	Computer Equipment	Furniture and Fixtures	Total
Cost:					
At March 31, 2016	$	245,000	908,520	74,344	1,227,864
Additions		-	4,795	-	4,795
At March 31, 2017		245,000	913,315	74,344	1,232,659
Additions		-	35,877	2,634	38,511
Disposal		-	(295,597)	(23,570)	(319,167)
At March 31, 2018	$	245,000	653,595	53,408	952,003
Depreciation:					
At March 31, 2016	$	12,965	530,852	72,488	616,305
Charge for the year		49,002	102,822	1,621	153,445
At March 31, 2017		61,967	633,674	74,109	769,750
Charge for the year		48,999	104,190	455	153,644
Disposal		-	(295,597)	(23,570)	(319,167)
At March 31, 2018	$	110,966	442,267	50,994	604,227
Net Book Value:					
At March 31, 2018	$	134,034	211,328	2,414	347,776
At March 31, 2017	$	183,033	279,641	235	462,909

10. Intangible Assets

		2018	2017
Computer Software:			
Cost at beginning of year	$	4,345,576	4,030,576
Additions during the year		-	315,000
Disposal		(2,429,681)	-
Cost at end of year		1,915,895	4,345,576
Accumulated amortisation – beginning of the year		2,670,645	2,522,234
Charge for the year		280,032	148,411
Disposal		(2,429,681)	-
Accumulated amortisation – end of the year		520,996	2,670,645
Net Book Value	$	1,394,899	1,674,931

11. Accounts Payable and Accruals

	Notes		2018	2017
Unclaimed dividends, interest and maturity payments	6 (i)	$	83,715,144	20,427,356
Escrow liability	6 (ii)		3,591,040	3,555,810
Deferred income			173,312	287,399
Holiday pay accrual			205,580	192,836
Accruals			79,143	56,199
Accounts payable			18,531	12,454
		$	87,782,750	24,532,054

Deferred income represents advanced payments from customers in relation to listing, registry and membership fees received but not yet earned.

12. Provisions

Provision has been made for gratuities payable to employees on completion of their contract of service to the Group. The non-current amount of $72,712 (2017: $14,063) has been provided to date.

13. Pension Fund

Included in the cash balance of $90,555,274 (2017: $26,400,474) is an amount of $930,332 (2017: $824,022), (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) *Due to Eastern Caribbean Central Bank*
The amount of $2,874,845 (2017: $2,874,845) represent advances made by the Eastern Caribbean Central Bank to finance the establishment costs of the Group (See Note 15).

(b) *Key Management Personnel Compensation*
The salaries, fees and benefits paid to key management personnel of the Group during the year amounted to $797,659 (2017: $757,494). The following is an analysis of these amounts:

		2018	**2017**
Salaries and other short-term employee benefits	$	709,983	656,532
Post-employment benefits		87,676	100,962
	$	797,659	757,494

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

15. Additional Financial Support

Subsequent to March 31, 2018, the Eastern Caribbean Central Bank gave 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 ended March 31, 2019 (balance at March 31, 2018, 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, 2019, but not to exceed EC$2,000,000.

The above undertaking and guarantee will be reviewed at March 31, 2019 and are irrevocable before this date.

16. Share Capital

		2018	2017
Authorised:			
5,000,000 Ordinary Shares of $10 each	$	50,000,000	50,000,000

Subscribed Capital:

Class	No. of Shares Issued at March 31, 2017	Shares Issued During the Year	No. of Shares Issued at March 31, 2018	Nominal Value 2018	Nominal Value 2017
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.

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 that 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:

		2018	2017
Earnings			
Net profit for the year	$	1,196,985	790,673
Number of Shares			
Weighted average number of Ordinary shares		972,581	972,581
Earnings per Share	$	1.23	0.81

18. Contingent Liabilities and Capital Commitments

The Group had no capital commitments as at March 31, 2018.

19. Other Income

		2018	2017
Seminars and workshops	$	74,796	225,563
Other services		-	7,000
	$	74,796	232,563