

**Schedule 1**  
**FORM ECSRC – K**  
**ANNUAL REPORT**  
**PURSUANT TO SECTION 98(1) OF THE SECURITIES ACT, 2001**

For the financial year ended January 31, 2016

Issuer Registration number  
TDC081098KN

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

St Christopher and Nevis  
(Territory of incorporation)

Fort Street, Basseterre, St Kitts  
(Address of principal office)

**REPORTING ISSUER'S:**

Telephone number (including area code): 1-869-465-2511

Fax number: 1-869-465-1099

Email address: \_\_\_\_\_

(Provide information stipulated in paragraphs 1 to 14 hereunder)

Indicate whether the reporting issuer has filed all reports required to be filed by section 98 of the Securities Act, 2001 during the preceding 12 months

Yes  No

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.

CLASS	NUMBER
Ordinary Shares of EC\$1.00 each	52,000,000

**SIGNATURES**

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

**Earle A. Kelly**



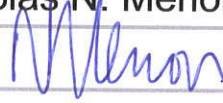
Signature

**July 11, 2016**

Date

Name of Director:

**Nicolas N. Menon**



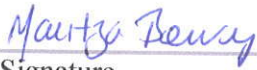
Signature

**July 11, 2016**

Date

Name of Chief Financial Officer:

**Maritza S. Bowry**



Signature

**July 11, 2016**

Date

## INFORMATION TO BE INCLUDED IN FORM ECSRC-K

### **1. Business.**

Provide a description of the developments in the main line of business including accomplishments and future plans. The discussion of the development of the reporting issuer's business need only include developments since the beginning of the financial year for which this report is filed.

The TDC Group is recognized as one of the Eastern Caribbean's most diverse companies with operations in insurance, finance, manufacturing, trading, real estate development, hotel operations, aircraft handling and related tourism services. The vision of the TDC Group of Companies is to be the leading public Company in the OECS. Diversification is a key component of this vision.

The capital position of the TDC Group remains strong. Shareholders' Equity totaled \$188,637,078. The Group reported a Profit Before Tax of \$5,525,826 for the financial year February 01, 2015 to January 31, 2016.

#### Capital Projects

Major capital projects over the past 2 years include the investment in photovoltaics (solar enabled technology) at the Home and Building Depot, the Automotive Division and St Kitts Masonry Products in St Kitts and the Pinneys Complex in Nevis. Throughout the TDC Group in both St Kitts and Nevis air conditioning units were replaced with energy efficient systems.

The IT network was upgraded throughout the company. This initiative enhanced the security and the efficiency of our IT systems. Additional servers were purchased and numerous computers were replaced throughout the TDC Group.

In 2015 a building was purchased, adjacent to the Home and Building Depot, St Kitts and is being used a warehouse. Also in 2015, the electrical upgrade at the Home and Building Depot in St Kitts commenced. This project continued into 2016 and will be completed by the end of the current financial year.

The Automotive Division in Nevis was refurbished and reconfigured in 2015, with the car rental operations being relocated to the Automotive Division in Nevis. Other improvements included the re-tiling of the building and the installation of new energy efficient air conditioning units.

**2. Properties.**

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

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**3. Legal Proceedings.**

Furnish information on any proceedings that were commenced or were terminated during the current financial year. Information should include date of commencement or termination of proceedings. Also include a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

N/A
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## Properties.

Provide a list of properties owned by the reporting entity, detailing the productive capacity and future prospects of the facilities. Identify properties acquired or disposed of since the beginning of the financial year for which this report is filed.

### **ST KITTS**

Basseterre – Fort Street:	TDC Mall – Fort Street (Bank of Nova Scotia, Ballahoo Restaurant, Miscellaneous Stores, TDC Head Office)
	TDC Plaza – Dominoes, FLOW, TDC Airline Services Ltd, New Era Dental, CLICO, Peaches and Cream, Consolidated Systems and Supplies
Central Street:	City Drug Store (2005) Ltd, Western Union Office
Bank Street & Independence Square Streets:	Corner building (West Independence Square and Bank Streets currently houses TDC Insurance Co Ltd and Grant Thornton
Bank Street:	Vacant area of approximately 11,000 square feet used as a parking lot for TDC staff and the general public. Considerable potential for commercial development – offices, retail etc.
Basseterre, Newtown, Bay Road:	The Sands Complex, a mixed residential and commercial complex (total 48 units, 3 unsold
Fortlands (OTI):	The Ocean Terrace Inn, Pelican Cove Marina, OTI Pieces of Eight – hotel, restaurants and 2 buildings rented to two embassies
C.A.P. Southwell Industrial Site:	Former factory shell used as the Automotive Division and a factory shell owned by Dan Dan Garments Ltd as a warehouse
Frigate Bay Road:	Home and Building Depot
	Approximately 1.3 acres of prime commercial land designated for future development, currently used as a staff recreational facility
	Approximately 0.25 acres of land with a building erected on the property used for storage.
Frigate Bay:	Approximately 8.77 acres of land for residential development at Frigate Bay overlooking the golf course. An upscale villa development is under construction. Thirty-seven (37) villas have been sold and constructed to date.
South East Peninsula:	One lot at Banana Bay
Buckleys Site:	St Kitts Bottling Company Limited located on approximately 1.38 acres of land

**NEVIS**

Charlestown:	TDC Plaza – Main Street Building (Office and Retail Spaces)  Longstone Property; historic building on 18,210 square feet of land, under renovations in 2016
Pinney's:	Home & Building Depot Automotive and Rental Divisions Lumber Yard and Drinks Depot Cement Warehouse General Offices
Long Point:	Land and Building (Shipping Department adjacent to Port facilities) 3.42 acres – Has great long term potential for future development as the area around the Port develops.
Clarks Estate:	Approximately 56 acres of prime land adjacent to the Four Seasons Estates – slated for future development for high end villas

In October 2015 the TDC Parent Company bought lot # 22 (TDC Automotive Division) at the C A Paul Southwell Industrial Park, St Kitts (89,602.57 square feet).

In August 2015 the Insurance Company purchased a property on Lot # 9 (11,665 square feet) at Ponds Industrial Site Extension. The building has been leased to the Parent Company – Home and Building Depot. It is used as a warehouse.

**4. Submission of Matters to a Vote of Security Holders.**

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

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

- (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.

- (c) A brief description of each other matter voted upon at the meeting and a statement of 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.

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

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

**5. Market for Reporting issuer's Common Equity and Related Stockholder Matters.**

Furnish information regarding all equity securities of the reporting issuer sold by the reporting issuer during the period covered by the report.

N/A

**6. Financial Statements and Selected Financial Data.**

Attach Audited Financial Statements, which comprise the following:

**For the most recent financial year**

- (i) Auditor's report; and
- (ii) Statement of Financial Position;

**For the most recent financial year and for each of the two financial years preceding the date of the most recent audited Statement of Financial Position being filed**

- (iii) Statement of Profit or Loss and other Comprehensive Income;
- (iv) Statement of Cash Flows;
- (v) Statement of Changes in Equity; and
- (vi) Notes to the Financial Statements.



**7. Disclosure about 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. 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.

See attached:

Note 5 Page 23 to 29 (Annual Report)

Note 6 Page 30 to 42 (Annual Report)

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

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(expressed in Eastern Caribbean dollars)

**4 Summary of accounting policies ...continued**

**z) Significant management judgment in applying accounting policies and estimation uncertainty ...continued**

*ix) Sensitivity analysis of life insurance risk ...continued*

	Change in Variable	Change in Net Policy Liabilities Increase/(Decrease)	
		Apr 2016 \$	Jan 2016 \$
Increase in mortality	10%	(18,276)	(18,276)
Decrease in mortality	10%	19,331	19,331
Increase in lapse margin	15%	59,247	59,247
Increase in expenses	10%	27,513	27,513
Parallel decrease in valuation	1%	214,280	214,280

**aa) Reclassifications**

Where necessary, comparative figures have been adjusted to conform with the change in presentation in the current year (see note 34).

**5 Financial risk management**

**a) Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group has not entered into forward contracts to reduce risk exposures. The Group's risk management focuses on actively seeking to minimise potential adverse effects on its financial performance.

The Group's risk management is coordinated with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

# St. Kitts Nevis Anguilla Trading and Development Company Limited

## Notes to Consolidated Financial Statements

### April 30, 2016

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(expressed in Eastern Caribbean dollars)

#### 5 Financial risk management ...continued

##### a) Financial risk factors ...continued

##### i) Market risk

##### a) Foreign currency risk

The Group conducts its operations primarily in Eastern Caribbean dollars; however, some transactions are executed in various other currencies, mainly United States Dollars. Foreign currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The exchange rate of the Eastern Caribbean dollar (EC\$) to the United States dollar (US\$) has been formally pegged at EC\$2.70 = US\$1.00 since July 1976, hence management considers foreign currency risk not to be significant.

##### b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises primarily from net interest bearing liabilities held with financial institutions with respect to the credit accounts, bank overdraft, customer deposits and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The credit accounts, bank overdraft and the long-term borrowings bear fixed interest rates of 3.5% - 5.0%, 6.5% - 9% and 5% - 7% respectively, which exposes the Group to fair value interest rate risk. To manage interest rate risk, the Group negotiates the best rates possible and where possible considers factors such as refinancing, reviewing options and alternative financing.

Management does not believe significant interest rate risk exists at April 30, 2016. If interest rates on the Group's financial instruments were 1% higher or 1% lower with all other variables held constant, the impact on consolidated net income for the year would have been insignificant.

##### c) Price risk

The Group is exposed to equity securities price risk because of equity investments held by the Group and classified in the consolidated statement of financial position as AFS financial assets. The Group's portfolio includes securities that are quoted on the Eastern Caribbean Securities Exchange, and its exposure to equity securities price risk is not material because the total of these securities is insignificant in relation to its consolidated statement of financial position and because of the limited volatility in this market. The Group does not hold equity securities that are quoted on the world's major securities markets. If market prices as at April 30, 2016 had been 10% higher/lower with all other variables held constant, the change in equity securities would have been insignificant.

##### ii) Credit risk

Credit risk arises from the possibility that counterparties may default on their obligations to the Group. The Group's credit risk arises from cash at banks, as well as credit exposures to customers and receivables. Cash at banks are only held with well-known reputable banks and financial institutions. If no independent rating exists for customers, management assesses the credit quality of customers on an individual basis, taking into account their financial position, credit history and other factors. The

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

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(expressed in Eastern Caribbean dollars)

**5 Financial risk management ...continued**

**a) Financial risk factors ...continued**

**ii) Credit risk ...continued**

utilization of credit limits is regularly monitored. Services rendered to customers are settled primarily in cash and cheques.

The Group has made adequate allowance for impairment for any potential credit losses and the amount of the Group's maximum exposure to credit risk is indicated by the carrying amount of its financial assets.

	<b>Apr 2016</b>	<b>Jan 2016</b>
	\$	\$
Cash at banks and cash equivalents	<b>26,378,957</b>	23,337,424
Investment securities	<b>65,532,739</b>	65,251,436
Loans to customers	<b>91,957,273</b>	94,462,439
Receivables	<b>26,706,823</b>	26,880,155
Due from related parties	<b>103,398</b>	434,340
	<b><u>210,679,190</u></b>	<u>210,365,794</u>

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by groups of similar customers, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all of the above financial assets that are not impaired or past due for the reporting dates under review are of good credit quality.

At April 30, the Group has certain receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at January 31, analysed by the length of time past due are disclosed in note 11.

In respect of receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management considers the credit quality of receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits, corporate bonds and treasury bills and bonds is considered negligible, except for Caribbean Commercial Bank of Anguilla Limited and National Bank of Anguilla Limited (see note 9), since the counterparties are well-known reputable institutions.

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

(expressed in Eastern Caribbean dollars)

**5 Financial risk management ...continued**

**a) Financial risk factors ...continued**

**ii) Credit risk ...continued**

No impairment loss has been recorded in relation to the Group's cash and cash equivalents, fixed deposits, corporate bonds and treasury bills and bonds, while an impairment loss on AFS financial assets amounted to \$0 (2016: \$202,500) was provided for.

**Loans to customers**

Loans to customers are summarised as follows:

	Apr 2016 \$	Jan 2016 \$
Neither past due nor impaired	86,630,674	88,956,311
Past due but not impaired	1,986,512	2,117,943
Impaired	6,253,292	6,331,859
<b>Gross loans to customers</b>	<b>94,870,478</b>	<b>97,406,113</b>
Interest receivable	263,549	319,221
Less: allowance for impairment	(3,176,754)	(3,262,895)
<b>Net loans</b>	<b>91,957,273</b>	<b>94,462,439</b>
Specific provision	2,682,385	2,749,907
Inherent risk provision	494,370	512,988
<b>Allowance for impairment</b>	<b>3,176,754</b>	<b>3,262,895</b>

*(a) Loans to customers neither past due nor impaired*

The credit quality of the portfolio of loans and advances that were neither past due nor impaired can be assessed by reference to the internal rating system adopted by the Group. Gross amounts of loans and advances by class to customers that were neither past due nor impaired were as follows:

	Apr 2016 \$	Jan 2016 \$
Home construction	30,571,549	32,036,247
Vehicle	21,288,846	21,167,738
Land and property	12,058,862	12,749,377
Refinanced mortgage	9,811,861	9,622,180
Consumer	7,340,178	7,367,647
Promotional	3,394,088	3,620,076
Education	852,769	952,594
Vacation	771,702	898,912
Government	380,327	393,934
Medical	160,493	147,606
	<b>86,630,674</b>	<b>88,956,311</b>

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

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(expressed in Eastern Caribbean dollars)

**5 Financial risk management ...continued**

**a) Financial risk factors ...continued**

**ii) Credit risk ...continued**

**Loans to customers ...continued**

**(b) Loans to customers past due but not impaired**

Loans and advances past due are not considered impaired unless other information is available to indicate the contrary. Gross amounts of loans and advances by class to customers that were past due but not impaired were as follows:

	Apr 2016 \$	Jan 2016 \$
Past due up to 3 months	976,604	927,326
Past due 3 – 6 months	10,671	218,125
Past due 6 – 12 months	121,010	133,150
Over 12 months	878,227	839,342
	<b>1,986,512</b>	<b>2,117,943</b>

**(c) Loans to customers individually impaired**

The individually impaired loans and advances to customers before taking into consideration the cash flows from collateral held is \$6,253,292 (Jan 2016: \$6,331,859). Loans written-off for the year is \$0 (Jan 2016: \$267,766).

The breakdown of the gross amount of individually impaired loans and advances by class, along with the fair value of related collateral held as security is as follows:

	Apr 2016 \$	Jan 2016 \$
Land and property	1,817,612	1,812,245
Home construction	1,838,655	1,850,435
Refinanced mortgage	1,462,609	1,463,120
Vehicle	397,165	423,768
Education	410,503	429,438
Consumer	201,447	216,565
Vacation	82,270	91,411
Promotional	43,031	44,877
<b>Total</b>	<b>6,253,292</b>	<b>6,331,859</b>
<b>Fair value of collateral</b>	<b>12,023,669</b>	<b>12,968,669</b>

# St. Kitts Nevis Anguilla Trading and Development Company Limited

## Notes to Consolidated Financial Statements

### April 30, 2016

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(expressed in Eastern Caribbean dollars)

#### 5 Financial risk management ...continued

##### a) Financial risk factors ...continued

##### ii) Credit risk ...continued

##### (d) Loans and advances renegotiated

Restructuring activities include extended payment arrangements, modification and deferred payments. Following restructuring, a previously overdue account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators of criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans, in particular customer finance loans.

As at April 30, 2016, renegotiated loans that would otherwise be past due or impaired totalled \$564,834 (Jan 2016: \$578,261).

##### (e) Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed collaterals of the Group amounted to \$0 and \$653,066 as at April 30, 2016 and January 31, 2016, respectively.

##### **Geographic**

Substantially all of the Group's counterparties are located within St. Kitts and Nevis and the Eastern Caribbean region.

##### iii) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasts of cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180 - day and a 360 - day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities and assets in relevant maturity groupings based on the remaining period at the reporting date at the consolidated statement of financial position date to the contractual maturity date, and represent the contractually undiscounted cash flows:

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

(expressed in Eastern Caribbean dollars)

**5 Financial risk management ...continued**

**a) Financial risk factors ...continued**

**iii) Liquidity risk ...continued**

	Within 1 year \$	Between 1 and 5 years \$	More than 5 years \$	Total \$
<b>As at April 30, 2016</b>				
<i>Financial liabilities</i>				
Borrowings	28,799,040	23,986,298	10,447,979	63,233,317
Customers' deposits	93,246,018	5,122,906	5,964,114	104,333,038
Due to related parties	41,309			41,309
Accounts payable and other liabilities	46,038,566			46,038,566
<b>Total financial liabilities</b>	<b>168,124,933</b>	<b>29,109,204</b>	<b>16,412,093</b>	<b>213,646,230</b>
<i>Financial assets</i>				
Cash and cash equivalents	26,561,780			
Investment securities	58,374,786	7,157,953		65,532,739
Loans to customers	18,669,657	38,078,111	35,593,554	92,341,322
Receivables	19,381,776	6,587,128	737,919	26,706,823
Due from related parties	103,398			
<b>Total financial assets</b>	<b>128,115,030</b>	<b>47,537,478</b>	<b>35,593,554</b>	<b>211,246,062</b>
<b>Net liquidity gap</b>	<b>(40,009,903)</b>	<b>18,428,274</b>	<b>19,181,461</b>	<b>(2,400,168)</b>
<b>As at January 31, 2016</b>				
<i>Financial liabilities</i>				
Borrowings	64,367,796	14,261,575	10,082,113	88,711,484
Customers' deposits	96,937,481	414,599	5,964,114	103,316,194
Accounts payable and other liabilities	44,625,456			44,625,456
<b>Total financial liabilities</b>	<b>205,930,733</b>	<b>14,676,174</b>	<b>16,046,227</b>	<b>236,653,134</b>
<i>Financial assets</i>				
Cash and cash equivalents	23,425,702			23,425,702
Investment securities	53,348,845	11,902,591		65,251,436
Loans to customers	19,259,942	38,261,231	36,941,266	94,462,439
Receivables	20,214,896	5,798,803	866,456	26,880,155
Due from related parties	434,340			434,340
<b>Total financial assets</b>	<b>116,683,725</b>	<b>55,962,625</b>	<b>37,807,722</b>	<b>210,454,072</b>
<b>Net liquidity gap</b>	<b>(89,247,008)</b>	<b>41,286,451</b>	<b>21,761,495</b>	<b>(26,199,062)</b>



**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk**

**a) Insurance risk**

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

To limit the Group's exposure of potential loss on an insurance policy, the Group cedes certain levels of risk to a reinsurer. The Group selects reinsurers which have a well-established capability to meet their contractual obligations and which generally have high credit ratings.

For its property risks, the Group uses excess of loss catastrophe reinsurance treaty to obtain reinsurance coverage. Catastrophe reinsurance is obtained for multiple claims arising from one event or occurring within a specified time period. However, treaty limits may apply and may expose the insurer to further claim exposure.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because of the frequency or severity of claims and if benefits payments are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate.

The concentration of insurance risk before and after reinsurance by risk category is summarised below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts:

	Apr 2016		Jan 2016	
	Gross \$	Net \$	Gross \$	Net \$
<b>Type of risk</b>				
Motor	2,487,131	2,467,471	2,467,471	2,467,471
Property	1,480,000	55,000	2,455,000	55,000
Marine	7,000	7,000		
	<b>3,974,131</b>	<b>2,549,131</b>	<b>4,922,471</b>	<b>2,522,471</b>
Add:				
Claims incurred but not reported	360,000	360,000	360,000	360,000
Unallocated loss adjustment expenses	178,000	178,000	178,000	178,000
	<b>4,512,131</b>	<b>3,087,131</b>	<b>5,460,471</b>	<b>3,060,471</b>

# St. Kitts Nevis Anguilla Trading and Development Company Limited

## Notes to Consolidated Financial Statements

### April 30, 2016

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(expressed in Eastern Caribbean dollars)

#### 6 Management of insurance and financial risk ...continued

##### a) Insurance risk ...continued

##### i) Property insurance

Property insurance contracts are underwritten using the following main risk categories: fire, business interruption, weather damage and theft.

##### *Frequency and severity of claims*

For property insurance contracts, climatic changes may give rise to more frequent and severe extreme weather events (for example, flooding, hurricanes, earthquakes, etc.), and may increase the frequency and severity of claims and their consequences. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from fire, hurricane and earthquake damage. The Group has reinsurance cover for such damage to limit losses to \$0.250 million in any one occurrence, per individual property risk.

##### *Sources of uncertainty in the estimation of future claim payments*

Claims on property contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. There are several variables that affect the amount and timing of cash flows from these contracts. The compensation paid on these contracts is the monetary awards granted for property damage caused by insured perils as stated in the contract of insurance.

The estimated costs of claims include direct expenses to be incurred in settling claims. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. Property claims are less sensitive as the shorter settlement period for these claims allows the Group to achieve a higher degree of certainty about the estimated cost of claims. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for incurred but not reported (IBNR) and a provision for reported claims not yet paid (outstanding claims) at the reporting date.

##### ii) Casualty insurance

The Group's casualty insurance is motor, marine and liability insurance.

##### *Frequency and severity of claims*

The frequency and severity of claims can be affected by several factors. The most significant is the number of cases coming to Court that have been inactive or latent for a long period of time. Estimated inflation is also a significant factor due to the long period required to settle these cases.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
**April 30, 2016**

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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

**a) Insurance risk ...continued**

**ii) Casualty insurance ...continued**

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Furthermore, the Group's strategy limits the total exposure to the Group by the use of reinsurance treaty arrangements. The reinsurance arrangements include excess of loss cover. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance loss of more than \$0.500 million per risk for casualty insurance.

***Sources of uncertainty in the estimation of future claim payments***

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract even if the loss is discovered after the end of the contract term. As a result, casualty and financial risk claims are settled over a longer period of time. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employers' liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur because of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for claims incurred but not reported (IBNR) and a provision for reported claims not yet paid (outstanding claims) and a provision for unexpired risks at the reporting date. The Group's IBNR loss reserves are derived using paid loss development estimation method (triangular method). Each business classes' IBNR was calculated using claims data and loss history. The quantum of casualty claims is particularly sensitive to the level of Court awards and to the development of legal precedent on matters of contract and tort.

**iii) Life insurance contracts**

The Group limits its exposure of potential loss on life insurance policies, by ceding all insurance risks to a reinsurer. The Group selects reinsurers which have a well-established capability to meet their contractual obligations and which generally have high credit ratings.

The nature and extent of risks arising from life insurance contracts as of April 30, 2016 and January 31, 2016 are as follows:

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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

**a) Insurance risk ...continued**

**iii) Life insurance contracts ...continued**

***Concentration of life insurance risk***

Gross individual life insurance benefit insured per life policy as at April 30, is as follows

<b>Range</b>	<b>Apr 2016</b>	<b>Jan 2016</b>
\$0- \$200,000	71%	71%
\$200,001 - \$400,000	27%	27%
\$400,001 - \$800,000	2%	2%

The risk is concentrated in the first 2 categories.

Net individual life insurance benefit insured per policy as at April 30, 2016 is 100% (2016: 100%) in the category \$0-\$200,000 and the risk is concentrated in the first category.

***Comparison of actual and expected claims of life insurance risk***

The disclosure about claims development relates to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. As at January 31, the Group's comparison of actual and expected claims is shown below.

<b>Year</b>	<b>Apr 2016</b>		<b>Jan 2016</b>	
	<b>Actual claims</b>	<b>Expected claims</b>	<b>Actual claims</b>	<b>Expected claims</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2009	–	113,000	–	113,000
2010	45,000	106,000	45,000	106,000
2011	93,000	103,000	93,000	103,000
2012	8,000	98,000	8,000	98,000
2013	–	93,000	–	93,000
2014	–	87,000	–	87,000
2015	–	82,000	–	82,000
2016	–	74,000	–	74,000

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

a) **Insurance risk ...continued**

iii) **Life insurance contracts ...continued**

*Maturity profile of life insurance risk*

The estimated timing of net cash outflows resulting from recognised life insurance liabilities as at January 31, are as follows:

	Up to 1 year	1 to 5 years	Over 5 years	Total
<b>As at April 30, 2016</b>				
Net reserve	129	3,624	1,619,250	1,623,003
Fund balance	–	–	568,407	568,407
Supplementary benefits	229	–	–	229
<b>Total liabilities, April 30, 2016</b>	<b>358</b>	<b>3,624</b>	<b>2,187,657</b>	<b>2,191,639</b>
<b>As at January 31, 2016</b>				
Net reserve	129	3,624	1,619,250	1,623,003
Fund balance	–	–	568,407	568,407
Supplementary benefits	229	–	–	229
<b>Total liabilities, January 31, 2016</b>	<b>358</b>	<b>3,624</b>	<b>2,187,657</b>	<b>2,191,639</b>

iv) **Claims development**

The Group employs loss (claims) development tables as a means of measuring actual claims compared with previous estimates. Claims are typically resolved within one year and are assessed on a case-by-case basis. The claims that tend to extend beyond one year are normally from the Accident line of business and to a lesser extent, the motor line.

# St. Kitts Nevis Anguilla Trading and Development Company Limited

Notes to Consolidated Financial Statements

April 30, 2016

(expressed in Eastern Caribbean dollars)

## 6 Management of insurance and financial risk ... continued

### a) Insurance risk ... continued

#### iv) Claims development ... continued

	Brought forward	2013	2014	2015	2016	2017	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Motor – gross</b>							
<b>Loss year</b>							
- At end of reporting year	3,030,567	2,412,449	1,922,060	3,350,301	2,458,051	520,093	13,693,522
- One year later	(6,111)	(97,683)	(26,121)	(433,699)	(36,015)	–	(599,628)
- Two years later	(7,847)	3,444	186,724	(28,489)	–	–	153,833
- Three years later	(21,000)	189,480	–	–	–	–	168,480
- Four years later	6,050	–	–	–	–	–	6,050
- Five years and over	–	–	–	–	–	–	–
Current estimate of cumulative claims	3,001,660	2,507,690	2,082,663	2,888,114	2,422,037	520,093	13,422,257
Cumulative payments to date	(2,224,159)	(1,917,279)	(1,671,750)	(2,326,985)	(2,359,021)	(435,931)	(10,935,126)
<b>Liability recognised in the balance sheet</b>	<b>777,500</b>	<b>590,411</b>	<b>410,913</b>	<b>561,129</b>	<b>63,016</b>	<b>84,162</b>	<b>2,487,131</b>
<b>Motor – net</b>							
- At end of reporting year	3,030,567	2,412,449	1,922,060	3,350,301	2,458,051	520,093	13,693,522
- One year later	(6,111)	(97,683)	(26,121)	(433,699)	(36,015)	–	(599,628)
- Two years later	(7,847)	3,444	186,724	(28,489)	–	–	153,833
- Three years later	(21,000)	189,480	–	–	–	–	168,480
- Four years later	6,050	–	–	–	–	–	6,050
- Five years and over	–	–	–	–	–	–	–
Current estimate of cumulative claims	3,001,660	2,507,690	2,082,663	2,888,114	2,422,037	520,093	13,422,257
Cumulative payments to date	(2,224,159)	(1,917,279)	(1,671,750)	(2,326,985)	(2,359,021)	(435,931)	(10,935,126)
<b>Liability recognised in the balance sheet</b>	<b>777,500</b>	<b>590,411</b>	<b>410,913</b>	<b>561,129</b>	<b>63,016</b>	<b>84,162</b>	<b>2,487,131</b>

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

a) Insurance risk ...continued

iv) Claims development ...continued

Property – gross

	Brought forward	2013	2014	2015	2016	2017	Total
	\$	\$	\$	\$	\$	\$	\$
Loss year							
- At end of reporting year	183,682	92,395	1,066,955	173,307	2,412,000	–	3,928,430
- One year later	–	–	42,713	(16,706)	–	–	26,008
- Two years later	(12,732)	–	(1,132)	–	–	–	(13,863)
- Three years later	–	–	–	–	–	–	–
- Four years later	–	–	–	–	–	–	–
- Five years later	–	–	–	–	–	–	–
Current estimate of cumulative claims	170,951	92,395	1,108,536	156,601	2,412,000	–	3,940,484
Cumulative payments to date	(41,581)	(59,526)	(222,693)	(1,137,082)	(24,601)	(975,000)	(2,460,484)
<b>Liability recognised in the balance sheet</b>	<b>129,369</b>	<b>32,869</b>	<b>885,843</b>	<b>(980,481)</b>	<b>2,387,399</b>	<b>(975,000)</b>	<b>1,480,000</b>

Property – net

- At end of reporting year	183,682	92,395	1,066,955	173,307	12,000	–	1,428,340
- One year later	–	–	42,713	(16,706)	–	–	26,008
- Two years later	(12,732)	–	(1,132)	–	–	–	(13,863)
- Three years later	–	–	–	–	–	–	–
- Four years later	–	–	–	–	–	–	–
- Five years later	–	–	–	–	–	–	–
Current estimate of cumulative claims	170,951	92,395	1,108,536	156,601	12,000	–	1,540,484
Cumulative payments to date	(41,581)	(59,526)	(222,693)	(1,137,082)	(24,601)	–	(1,485,484)
<b>Liability recognised in the balance sheet</b>	<b>129,369</b>	<b>32,869</b>	<b>885,843</b>	<b>(980,481)</b>	<b>(12,601)</b>	–	<b>55,000</b>

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
Notes to Consolidated Financial Statements  
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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

**b) Fair value of financial assets and liabilities**

Fair value is the arm's length consideration for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties, who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

**Determination of fair value:**

The following methods and assumptions have been used to estimate the fair value of each class of financial instruments for which it is practical to estimate a value:

*Short-term financial assets and liabilities*

The carrying value of these financial assets and liabilities is a reasonable estimate of their fair value because of the short maturity of these instruments. Short-term financial assets are comprised of cash and cash equivalents, receivables and due from related parties. Short-term financial liabilities are comprised of customers' deposits, accounts payable and other liabilities and due to related parties.

*Long-term financial assets*

The fair value of long-term financial assets which are not quoted in an active market is based on discounted cash flows using the interest rate for new financial assets with the same characteristics and maturities.

*AFS – financial assets*

Fair value is based on quoted market prices. Where these are not available, fair value is assumed to approximate cost.

*Borrowings and deposits*

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed-interest bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.



# St. Kitts Nevis Anguilla Trading and Development Company Limited

Notes to Consolidated Financial Statements

April 30, 2016

(expressed in Eastern Caribbean dollars)

## 6 Management of insurance and financial risk ... continued

### b) Fair value of financial assets and liabilities ... continued

The table below summarizes the carrying amounts and fair values of the Group's financial assets and liabilities:

	Carrying value		Fair value	
	Apr 2016	Jan 2016	Apr 2016	Jan 2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	26,561,780	23,425,702	26,561,780	23,425,702
Investment securities	65,532,739	65,251,436	65,532,739	65,251,436
Loans to customers	91,957,273	94,462,439	91,957,273	94,462,439
Receivables	26,706,823	26,880,155	26,706,823	26,880,155
Due from related parties	103,398	434,340	103,398	434,340
	<b>210,862,013</b>	<b>210,454,072</b>	<b>210,862,013</b>	<b>210,454,072</b>
<b>Financial liabilities</b>				
Borrowings	63,233,318	64,598,154	63,233,318	64,598,154
Customers' deposits	102,805,036	101,604,739	98,205,250	97,005,005
Accounts payable and other liabilities	46,038,566	44,625,456	46,038,566	44,625,456
Due to related parties	41,309	—	41,309	—
	<b>212,118,229</b>	<b>210,828,349</b>	<b>207,518,443</b>	<b>206,228,615</b>

**St. Kitts Nevis Anguilla Trading and Development Company Limited**  
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**6 Management of insurance and financial risk ...continued**

**c) Fair value hierarchy**

*Fair value measurement of financial assets*

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices in active markets for identical assets and liabilities. This level includes equity securities and debt instruments listed on exchanges.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data. This level includes equity investments and debt instruments with significant unobservable components.

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in valuations where possible.

	Level 1 \$	Level 2 \$	Level 3 \$
<b>Financial assets April 30, 2016</b>			
AFS financial assets	3,572,756		3,585,197
<b>Financial assets January 31, 2016</b>			
AFS financial assets	3,625,161	–	3,585,197

*Fair value measurement of non-financial assets*

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Land and buildings – April 30, 2016		17,930,102	104,111,457	122,041,559
Land and buildings – January 31, 2016	–	17,930,102	103,545,188	121,475,290

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and audit committee at each reporting date.

# St. Kitts Nevis Anguilla Trading and Development Company Limited

## Notes to Consolidated Financial Statements

### April 30, 2016

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(expressed in Eastern Caribbean dollars)

#### 6 Management of insurance and financial risk ...continued

##### e) Fair value hierarchy ...continued

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location and current use.

Land and buildings were revalued in January 2015 and were not revalued at the reporting date. Management determined that the effect of changes in fair values between the last revaluation date and the reporting date is immaterial.

##### d) Capital risk management

The Group maintains a level of capital that is sufficient to meet several objectives, including its ability to continue as a going concern in order to provide returns and benefits for shareholders and to maintain an acceptable total debt-to-capital ratio to provide access to adequate funding sources to support current operations and the fulfillment of its strategic plan.

Total net debt includes bank loans and long-term debt less cash. The Group's capital includes total net debt and equity. As at April 30, 201 the Group's net debt amounted to \$36,671,538 (Jan 2016: \$41,172,452), while its equity amounted to \$184,810,064 (2016: \$182,990,238).

The Group manages its capital structure and makes adjustments in light of changes in activities, economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Group may issue new shares, repurchase shares for cancellation, adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

In accordance with Section 3 of the Insurance Act of 2009 (the "Act"), the Group is required to have a minimum share capital of \$2,000,000 fully paid up in cash. Further, Section 23 of the Act requires the insurance subsidiary to deposit an amount of \$1,000,000 for long term insurance and no less than \$500,000 for motor vehicle insurance with the Registrar or that the interest of the Registrar in respect of any prescribed asset be duly registered with the Eastern Caribbean Central Securities Registry. The statutory deposits in the amount of \$4,709,018 (2016: \$3,209,018) in the form of term deposits and bonds are currently held by the insurance subsidiary to satisfy the above requirement.

In St. Kitts and Nevis, the solvency criteria prescribed by Section 54 (c) of the Act states that a registered insurance company carrying on both long-term insurance and general insurance business, shall be deemed to be insolvent, if the excess of its total assets over its total liabilities is less than the greater of the following amounts:

- i) \$500,000; or
- ii) 20% of its premium income in respect of the general insurance business in its last preceding financial year and 5% of the long-term life insurance liabilities as at the end of the reporting period.

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(expressed in Eastern Caribbean dollars)

**6 Management of insurance and financial risk ...continued**

**d) Capital risk management ...continued**

	Apr 2016 \$	Jan 2016 \$
<i>General insurance business</i>		
20% of net premium income of the preceding year (Apr 2016: \$7,897,958; 2014: \$8,581,675)	1,579,591	1,716,335
<i>Long-term insurance business</i>		
5% of life policyholders' benefits of the current year (2015: \$2,066,840)	109,582	109,582
	<u>1,689,173</u>	<u>1,825,917</u>

Compliance with the minimum margin of solvency is determined as follows:

	Apr 2016 \$	Jan 2016 \$
Total assets	49,206,171	51,887,846
Total liabilities	<u>(13,683,119)</u>	<u>(17,283,793)</u>
Margin of solvency	35,523,052	34,604,053
Required minimum margin of solvency	<u>(1,689,173)</u>	<u>(1,825,917)</u>
Margin of solvency in excess of requirement	<u>33,833,879</u>	<u>32,778,136</u>

The margin of solvency was met and exceeded by the insurance subsidiary in 2016 and 2015.

Capital adequacy and the use of regulatory capital are constantly monitored by the finance subsidiary's Board of Directors. The ECCB requires all financial institutions under its jurisdiction to hold the minimum level of regulatory capital of \$5,000,000.

The table below summarises the composition of regulatory capital of the finance subsidiary for the two-year presentation. During those two years, the finance subsidiary complied with all of the externally imposed capital requirements to which it must comply.

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**6 Management of insurance and financial risk ...continued**

**d) Capital risk management ...continued**

	Apr 2016	Jan 2016
	\$	\$
<b>Tier 1 capital</b>		
Share capital	6,000,000	6,000,000
Statutory reserve fund	5,098,405	5,098,405
Retained earnings	13,620,120	13,620,120
Other reserve	141,110	141,110
	<hr/>	<hr/>
Total qualifying tier 1 capital	24,859,635	24,859,635
	<hr/>	<hr/>
<b>Tier 2 capital</b>		
Accumulated impairment	3,262,895	3,262,895
	<hr/>	<hr/>
Total regulatory capital	28,122,530	28,122,530
	<hr/>	<hr/>

**7 Segment reporting**

Management currently identifies the Group's product and service lines as its operating segments. These operating segments are monitored by the Group's Chief Executive Officer (the chief operating decision maker) and strategic decisions are made on the basis of adjusted segment operating results.

Minor operating segments are combined below under other segments. These are rentals and hire purchase, airline agents and tour operations, real estate development and shipping.

**8. 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.

N/A

- (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

.....

.....

- (c) Report any working capital restrictions and other limitations upon the payment of dividends.

**9. 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 per cent 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.

N/A

- (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.

**10. Management's Discussion and Analysis of Financial Condition and Results of Operation.**

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the financial year of the filing. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

**It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.**

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

*General Discussion and Analysis of Financial Condition*

The Group delivered another year of strong sales performance. Although the profit for the 2015/2016 financial year was lower than that in the previous year, the Group is in an excellent position for future growth. We continue to hold significant market share in vehicle sales and building materials which translated into stellar performances for the relevant divisions. There were also good performances in insurance and financial services.

However, reopening costs and initial low occupancy levels at Ocean terrace Inn Ltd (OTI), after having being closed for 12 months, as well as the substantial write down in the assets of the St Kitts Bottling Company Ltd. (SKBC) negatively impacted the Group's results.



## **Liquidity and Capital Resources**

Provide a narrative explanation of the following (but not limited to):

- i) The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii) Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the 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.
- iii) The issuer's internal and external sources of liquidity and any material unused sources of liquid assets.
- iv) Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v) Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi) Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii) The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii) The 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.
- ix) Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

*Discussion of Liquidity and Capital Resources*

At January 31, 2016 the total bank debts stood at \$64,598,154 compared to \$68,110,588 at January 31, 2015.

Net cash generated from operating activities was \$21,205,912 compared to \$18,524,877 at January 31, 2015. Net Cash flows used in investing activities was \$10,486,912 compared to \$11,649,019.

Net Cash flows generated from financing activities was \$9,645,543 compared to \$2,998,669 at January 31, 2015.

During the year, the Group used its over draft facilities and internally generated funds to finance its operations.

At January 31, 2016, the company had \$23,425,702 in Cash and Equivalents. Shareholders Equity stood at \$188,637,078.

Existing sources of capital, together with cash flows from operations, are expected to be adequate to meet foreseeable cash requirement.

**Off Balance Sheet Arrangements**

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the off-balance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

N/A

## Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) 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, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls,

## Overview of Results of Operations

### PERFORMANCE REVIEW BY SECTOR GENERAL TRADING

While our products and services continue to evolve, our commitment to building relationships and making a difference remains steadfast. Our processes and systems are continuously being reviewed and aligned to become more customer-centric. We continue to train our employees in this area. In 2015 the TDC Group partnered with the Customer Service Academy of Jamaica, in association with the UK based Institute for Leadership and Management, to present the Certified Customer Service Professionals Training Course. All 15 of the employees who participated in the course successfully passed the exams. As a result, our Company will be better positioned through the knowledge of our employees to attract and retain the customer base needed to ensure continuous growth.

**Home and Building Depots (St Kitts and Nevis)** – This line of business performed admirably yielding a 21.97 percent increase in Profit Before Tax. The customer experience was enhanced during the year with the remodeling of the St Kitts store which has continued. The changes included relocation of the Appliances section to a wider display area and expansion of the Electrical section. Retailing continues to change and we are investing to serve customers more effectively. We know that customers expect value, a broad assortment of merchandise and of course, an enjoyable shopping experience.

Despite reduced activity in the construction sector in Nevis, the Profit before Tax for the department increased by 54.51 per cent.

**Automotive Divisions (St Kitts and Nevis)** - The year under review was a historic one for the Automotive Divisions. In December 2015, the highest monthly sales were recorded since the introduction of the Toyota brand in the Federation of St Kitts and Nevis. At the Toyota Motor Corporation Latin American and Caribbean Distributors convention held in Argentina in April 2016, the TDC Automotive Divisions were awarded the 2015 Toyota Motor Corporation Vehicle Sales Silver Prize based on exceeding the annual sales targets, increasing market share and improving the customer satisfaction overall score. The departments also achieved the sales targets for Suzuki and received prizes from the Regional Office in recognition of this achievement.

The Automotive, Financial Services and Insurance businesses collaboratively staged a number of promotions. Customers had the option of accessing packages of financing and insurance when they purchased vehicles. The combined profits for the TDC Automotive Divisions almost doubled those for the prior year.

**City Drug Store (Nevis) Ltd and TDC Business Centre (St Kitts)** – The Profit Before Tax for these companies combined, almost doubled the results for the 2014/2015 financial year. The sales for both businesses increased over last year.

**The Drinks Depot** - This division reflected a loss for the financial year under review. The department faced inventory challenges in 2015 that have since been addressed.

### SERVICES

**Shipping Agencies** – The shipping agencies contributed positively to the company's results. However, the profits of the department in St Kitts dropped by 8.00 percent. The results for the Nevis department also declined due to the loss of the Saga Agency.

Since November 2015, both departments have been offering a mailbox service from Miami. We encourage you to visit the website [www.inviasokb.com](http://www.inviasokb.com) and sign up for this service.

**TDC Rentals Ltd and TDC Rentals (Nevis) Ltd** – Car rental business for both companies contributed significantly to the profits. Hire Purchase sales were reduced as the Group shifted more of that business to other companies.

### INSURANCE AND FINANCE

**St Kitts Nevis Insurance Company Ltd (SNIC)** – The profit before tax increased by 7.29 percent compared to the previous financial year. Motor Claims Expenses declined by 25.62 percent.

As mentioned in the Annual Report last year, SNIC continued its quest to become rated by A.M. Best, a leading international rating agency for insurance companies. The application process has been completed and the company awaits the decision.

In January 2016, the General Insurance Business was relocated to the space previously occupied by FINCO on the corner of Bank and West Independence Square Streets, Basseterre. The feedback from our clients has been positive as this location provides greater convenience and accessibility.

**SNIC (Nevis) Ltd.** – In November 2015, the company was wound up. The Group now provides insurance services on the island of Nevis as a branch of TDC Insurance Company Ltd.

**East Caribbean Reinsurance Company Ltd** reported a decline in profit mainly due to the impairment loss for the shares held in the National Bank of Anguilla Ltd. In August 2013 both the National Bank of Anguilla Ltd and the Caribbean Commercial Bank (Anguilla) Ltd were placed in conservatorship. The appointed conservator of these two banks has indicated that the depositors' balances up to EC \$2.8 million are accessible to the depositors and any excess amounts will be transferred to the Depositor Protection Trusts. This will result in a significant portion of the company's deposits with these banks being converted into 10 year bonds guaranteed by the Government of Anguilla.

**St Kitts Nevis Finance Company Limited (FINCU)** – The Profit Before Tax declined by 9.49 percent. The loan portfolio increased by 3.34 percent. Although the number and value of vehicle loans increased significantly this was tempered by a decline in demand for mortgages and lower yields on lending due to competitive pressures.

The delinquency rate on loans continues to decline and is well within reach of the target at the 31 January, 2015. The company continued to focus on minimizing delinquency by providing quality loans to qualified borrowers. Preliminary data from the ECCB indicate that the average rates of delinquency for FINCO continue to solidly outperform the indices.

### TOURISM

#### Ocean Terrace Inn Ltd (OTI)

The hotel was closed in May 2014 to facilitate renovations with loan funding provided, on concessionary terms, by the Sugar Industry Diversification Foundation (SIDF). The hotel reopened in April 2015 with 34 rooms. The OTI Group reported a substantial loss for the financial year ended 31 January 2016. Although OTI's income increased by 41.4 per cent, expenses increased by 13.68 per cent, mainly due to substantial reopening and marketing costs and the additional depreciation charges in respect of the newly renovated premises. Towards the end of the year, new management was appointed and the results of the change have been significant. The marketing initiatives have intensified and the results are expected to substantially improve in the 2016/2017 financial year.

#### AIRLINE SERVICES AND TOURS

**TDC Airline Services Ltd.** - During the year, the company was appointed handling agent for American Airlines, Seaborne Airlines and United Airlines. The Profit Before Tax tripled that of the previous year.

**TDC Airline Services (Nevis) Ltd.** - The Profit Before Tax declined. However, in the previous financial year Bad Debts Recovered was a significant contributor to the revenue.

**TDC Tours Ltd.** - The profit before tax decreased due largely to reductions in passengers transported. The prospects for its future growth look positive as the tourism industry expands. We continue to pursue several initiatives to secure new business opportunities.

### MANUFACTURING

**St Kitts Bottling Company Ltd. (SKBC)** – The Company reported a significant loss for the financial year under review. Coca-Cola de-authorized the company from producing and distributing its products in 2013 and 2015 respectively. The company executed similar actions in other islands as part of its international strategy to consolidate the number of its bottlers and distributors. Previously Coca-Cola products contributed over 50 percent of SKBC's sales.

Reflected in the Operating Expenses is the impairment charge of \$2,267,251, on the property, plant and equipment at the company. This resulted from the underutilization of the plant due to the end of production of Coca-Cola products. The production equipment that has been in operation for over eight years continues to require extensive maintenance. This has negatively impacted the consistency of supply of products.

### REAL ESTATE DEVELOPMENT

**TDC Real Estate and Construction Ltd. and Conwaco Estates Ltd.** – Two (2) residential communities were being developed by these companies: Sunrise Hills Villas at Frigate Bay and Atlantic Views Residences at Conaree, respectively. One (1) villa at the Sunrise Hills Villas and the final home at Atlantic Views Residences were sold during the year. Since the inception of the Sunrise Hills Villas project in 2006, 37 villas have been sold. There are 8 lots remaining. The tax concessions for this project expire in December 2016. The Atlantic View project is now completed; 21 homes were constructed and sold. The Group is actively seeking additional investment opportunities in the development of middle income housing.

### ASSOCIATED COMPANIES

**St Kitts Masonry Products Ltd** reported reduced profits due to the decline in sales of ready-mix concrete as the construction sector contracted towards the end of the year. There were increases in payroll costs and depreciation due to the revaluation of the properties and investments in plant and equipment.

**MAICO**, our associate insurance company in Anguilla, reported a loss in 2015 due mainly due to provisions for bad debts and claims.

**11. Changes in and Disagreements with Auditors on Accounting and Financial Disclosure.**

Describe any changes in auditors or disagreements with auditors, if any, on financial disclosure.

**12. Directors and Executive Officers of the Reporting Issuer. (*Complete Biographical Data Form attached in Appendix 1 and Appendix 1(a) for each director and executive officer*)**

Furnish biographical information on directors and executive officers indicating the nature of their expertise.

**13. Other Information.**

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report provided that the material change occurred within seven days of the due date of the Form ECSRC – K report. 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.

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Earle A. Kelly Position: Chairman/CEO

Mailing Address: P O Box 142, Fort Street, Basseterre, St Kitts  
P O Box 142, Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr. Kelly was named Chairman/Chief Executive Officer effective February 01, 2014. He became a Group Executive Director in 2000; Group Finance Director in 2002; Director/Company Secretary of St Kitts Masonry Products Limited; Currently Managing Director of St Kitts Masonry Products Limited; Chairman of the Board of St Kitts Bottling Company Limited

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor of Arts in Accounting  
Masters in Business Administration

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Dennis M. Morton Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr. Morton became a Group Executive Director in 1983. He retired as Chairman effective February 1, 2014.

He is currently a Director of St Kitts Masonry Products Limited and a Director on various boards within the Group.

Mr Morton is also the Deputy Chairman of the Eastern Caribbean Securities Exchange.

Education (degrees or other academic qualifications, schools attended, and dates):

*Use additional sheets if necessary.*



APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Owen N. Brisbane Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Brisbane became a Director November 21, 2014. He is an Architect and has established the firm of N Brisbane & Associates and Brisbane McGrath Engineering Consultants.

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor of Science (BSc.) in Industrial Engineering  
Master of Science (MSc) in Construction Engineering

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Nicolas N. Menon Position: Director

Mailing Address: P O Box 142, Fort Street, Basseterre, St Kitts  
P O Box 142, Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Menon became a Group Executive Director in 2000. He is a Director of St Kitts Bottling Company Limited. He is also the president of the Hotel and Tourism Association (HTA).

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor of Science in Accounting  
Masters in Business Administration

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Ernie A. France Position: Director

Mailing Address: P O Box 142, Fort Street, Basseterre, St Kitts  
P O Box 142, Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr France became a Group Executive Director in 2007. He is the former General Manager of the company's operations in Nevis and Director of several companies in the Group. Mr France is a Director of the Chamber of Industry and Commerce and the Hotel and Tourism Association.

He is currently the President of St Kitts Tourism Authority.

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelors Degree in Business Administration  
Associates Degree in Data Processing

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Glenville R. Jeffers Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Jeffers was named a Director February 01, 2011. He is currently responsible for the TDC Home and Building Depot, TDC Shipping and CDS (2005) Limited.  
He is President of St Kitts Nevis Amateur Athletic Association and is Secretary General of the St Kitts Nevis Olympic Committee.

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelors Degree in Business Administration (with concentration in public accounting)

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Myrna R Walwyn Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mrs Walwyn became a Director in 2000. She became a Barrister-at-law in 1980.  
She is also Senior Partner of the law firm Myrna Walwyn & Associates.

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor of Science (Hons) in Social Sciences  
M A in Law and Sociology

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Melvin R Edwards Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Edwards became a Director in 2005. He is an experienced Management Consultant, a capacity in which he advises several regional and international institutions and governments.

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelors Degree (BA)  
Master of Science(MSc.)

*Use additional sheets if necessary.*

APPENDIX I – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Charles L A Wilkin Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Wilkin became a Director of the Group in 1978. He became a Barrister-at-law in 1971. He has been a Senior Partner at the law firm Kelsick Wilkin & Ferdinand since 1988.

Education (degrees or other academic qualifications, schools attended, and dates):

M A Degree - Cambridge University

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Maritza S Bowry Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Ms Bowry was appointed Chief Financial Officer, February 01, 2014. She is currently the Finance Director of the company having been appointed on June 15, 2015

Education (degrees or other academic qualifications, schools attended, and dates):

Bachelor of Science (BSc.)  
Masters in Business Administration (MBA)  
Certified Public Accountant (CPA)

*Use additional sheets if necessary.*



APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Clive E Ottley Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Dr Ottley became a Director in 1990. He is a retired Obstetrician/Gynaecologist and currently owns and manages a software development and consultancy firm.

Education (degrees or other academic qualifications, schools attended, and dates):

M B  
BS (London, FRCOG)

*Use additional sheets if necessary.*

APPENDIX 1 – BIOGRAPHICAL DATA FORMS

DIRECTORS OF THE COMPANY

Name: Jacques A Cramer Position: Director

Mailing Address: Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts  
\_\_\_\_\_

Telephone No.: 1-869-465-2511

List jobs held during past five years (include names of employers and dates of employment).  
Give brief description of **current** responsibilities

Mr Cramer is a founding Director of the TDC Group. He is Managing Director of J Cramer Real Estate.

He is currently the Honorary Warden for the Canadian Government in St Kitts-Nevis and Honorary Consul for Israel

Education (degrees or other academic qualifications, schools attended, and dates):

Empty box for education details.

*Use additional sheets if necessary.*

APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS

EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY

Name: Warren Z Moving Position: Company Secretary

Mailing Address: P O Box 142, Fort Street, Basseterre, St Kitts  
Fort Street, Basseterre, St Kitts

Telephone No.: 1-869-465-2511

List jobs held during past five years (including names of employers and dates of employment).  
Give brief description of **current** responsibilities.

Mr Moving has been with the company (TDC Nevis Branch) since 1996 and served in various capacities as Accounts Clerk, Assistant Accountant, Chief Accountant, Company Secretary. He was appointed as Company Secretary for the Parent Company TDC Limited on March 11, 2016.

Mr Moving is a Director of Fidelis Management Company.

Education (degrees or other academic qualifications, schools attended, and dates):

Diploma in Business management - University of Leicester, UK (2005-2010)  
Bachelor of Science in Economics and Accounts - UWI Cave Hill (1998-2001)

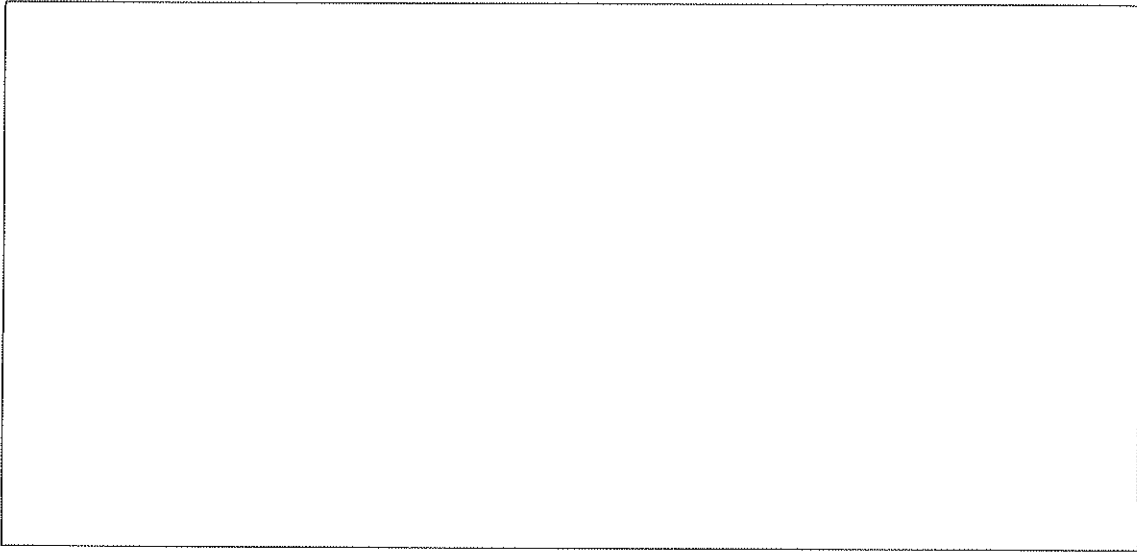
Also a Director of the company  Yes  No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

*Use additional sheets if necessary.*

**14. List of Exhibits**

List all exhibits, financial statements, and all other documents filed with this report.

A large, empty rectangular box with a thin black border, occupying the lower half of the page. It is intended for the user to list all exhibits, financial statements, and other documents filed with the report.