

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

For the financial year ended  
31 March 2024

Issuer Registration number  
KN SE-0001-04

EASTERN CARIBBEAN CENTRAL SECURITIES DEPOSITORY LIMITED

(Exact name of reporting issuer as specified in its charter)

ST KITTS

(Territory of incorporation)

BIRD ROCK, BASSETERRE, ST KITTS

(Address of principal office)

**REPORTING ISSUER'S:**

Telephone number (including area code): (869) 466-7192

Fax number: (869) 465-3798

Email address: info@ecseonline.com

(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	404,000

## 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:

TREVOR BLAKE



Signature

Date

Name of Director:

D MICHAEL MORTON



D. M. Morton (Oct 22, 2024 14:32 EDT)

Signature

Date

Name of Chief Financial Officer:

Bernadette Felix Pemberton



Signature

10 October 2024

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.

Estimates from the Eastern Caribbean Central Bank at December 2023 indicate that economic activity in the ECCU expanded in 2023, surpassing its pre-pandemic level in real terms. In 2023, real gross domestic product (GDP) grew by 4.3 per cent, after having expanded by 11.8 per cent in the previous year. Tourism-related activity remained strong although arrivals remained below its 2019 level. The expansion was broad based across all member countries, ranging from 8.2 percent in Anguilla to 2.3 per cent in Saint Christopher and Nevis. The growth prospects for the regional economy in 2024 are positive and is projected to be sustained in 2024.

Market activity during the year was mixed with a reduction in the funds Governments raised on the Regional Government Securities Market (RGSM), while there was a significant increase in volume and value of securities traded in the secondary market, when compared to the previous financial year. As a result of the decline in activity on the RGSM, the ECCSD recorded a 2.6% decrease in the volume of securities cleared and settled which amounted to 1.1 billion units in 944 transactions. The number of securities registers maintained increased by 7.7% to 203, and the number of corporate action transactions increased by 3.2%, while the sum disbursed fell by 4%. In addition to these core traditional services, the ECCSD continued to focus on developing its new custody and trust services business lines, which have begun to generate revenues for the Group.

The product and business development strategies during the year focused primarily on nurturing the new custody and trustee services business lines and on preparing for the upcoming tokenized securities market. The introduction and expansion of collective investment schemes in the ECCU has created a demand for the ECCSD's custody services business. Total assets under custodianship now stand at EC\$136.8 million and this is expected to grow.

The ECCSD's unstinting efforts to expand Trustee services have borne fruit, with an increase in the number of insurance funds onboarded during the year. Total assets under trusteeship at the end of the financial year stood at \$298.0 million, and this is expected to grow in the ensuing year, as more funds are onboarded, and the vesting of assets completed.

Preparatory work continued during the year, in partnership with the fintech firm Blockstation, towards the imminent launch of the digitized securities market. The market will provide end-to-end functionalities for all stakeholders to list, trade, clear and settle tokenized securities as well as manage the compliant onboarding of issuers and investors in a regulated environment. During the year, work started on the marketing plan for the trading platform and potential issuers were engaged with the aim of launching the market during the next financial year.

**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.

NONE

**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.

NONE

**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.

The 22nd AGM was held on 6 October 2023

- (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.

Elected Directors:  
Mr. Timothy Antoine  
Mr D Michael Morton  
Mrs Jennifer Nero  
Mr McDowill Paul  
Mr Aylmer Irish  
  
Continuing Director:  
Trevor Blake continuing as Managing Director

- (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.

NONE

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

NONE

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

NONE

**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.

NONE

**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.

The overall sustainability of the ECCSD is predicated on its ability to generate sufficient fee income from core activities of facilitating primary issues auctioned on its two platforms, the RGSM and the ECSM, and the secondary trading of securities.

There is a lot of reliance on sovereign issues for the generation of income. Sovereign debt securities account for 88% of total listings and for 83% of registers maintained by the ECCSD. It is therefore important that regional Governments continue to issue securities on the RGSM and that there continues to be strong investor interest in these securities. It must be noted that investor interest can be negatively affected by political unrest in ECCU member countries or by concerns about the ability of Governments to make periodic principal and interest payments.

**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.

NONE
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- (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)

**Not applicable.**

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- Offer closing date (provide explanation if different from date disclosed in the registration statement)

Not applicable.

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- Name and address of underwriter(s)

Not applicable.

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- Amount of expenses incurred in connection with the offer

- Net proceeds of the issue and a schedule of its use

**Not applicable.**

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- Payments to associated persons and the purpose for such payments

Not applicable.

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

NONE

**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.

Not applicable.

- (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.

Not applicable.

## 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*

Performance during the year improved from that of the previous. Net profit loss amounted to \$79.6k versus \$416.9k in the previous years. This was influenced by increased revenue of 8.8% and decreased expenses of 5.6% over the previous year.

This improved performance is testimony to the ECCSD demonstrated ability to generate positive cash flows that enables it to sustain its operations and meet on-going commitments. As a wholly-owned subsidiary of ECSE, the company's operations are interlinked with that of the parent, which stands ready and able to provide any necessary support.

The improved performance was boosted by the performance in the area of corporate action, custody and trustee services and a write back in the ECL provision.

Corporate action revenue increased by \$119,146 or 49.3%.

Custody and Trustee services having completed the onboarding of clients during the year started the generation of revenue contributing to 5.8% of the current year revenue. This line of business represents the expansion and diversification in fee income sources as part of the Company's strategic objective.

The calculation of the Expected Credit Loss(ECL) is a requirement of IFRS 9 which mandates recognition of impairment losses on a forward-looking basis, prior to any credit event occurring. The ECCSD assets falling within the scope of this guideline are its receivables. The inputs into the calculation of the ECL are subject to management's perspective on the probability of default (PD) and the loss given default (LGD). Management holds the position that, given the nature of business, clientele and history of the payment, its estimates are conservative. Notwithstanding, management commits to refining the current model going forward. The ECL calculation for the financial year resulted in a reversal of \$62.7k favorably impacting the ECCSD net profits.

While the performance of the ECL is not expected to recur that of the corporate action and custody and Trustee services is anticipated to grow based on the anticipated activity in these areas.

The financial statements for the year ended 31 March 2023 were restated to correct a material misstatement due to an error in the recognition of interest income. The sum of \$1.4 million, representing interest on bank balances, had been incorrectly recorded as a

## **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*

### ASSETS

Total Assets at 31 March 2024 stood at \$81 million, increasing by \$18.2 million or 29% from the position at the previous year-end. The main contributor to this increment was a \$15.7 million or 41.7 % growth in Cash and Cash Equivalents.

### LIABILITIES

The Group's Liabilities totaled \$78.7 million, reflecting a growth of \$18.3 million or 30.4% over the previous year. This increment is attributable to an increase in third party funds, represented in the main securities holders' payables, which grew by \$18.3 or 31.6%.

### SHAREHOLDERS' EQUITY

At 31 March 2024 the ECCSD capital base stood at \$2.3 million, comprising shareholders' subscribed capital of \$4.0 million and an accumulated deficit of \$1.7 million.

## **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.

The ECCSD does not have off-balance sheet financing.

## 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*

As above in sections 1 and 10

**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.

New auditors were appointed for the Financial year ended March 31 2024. there was no disagreements with auditors 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.

NONE

## **14. List of Exhibits**

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

Appendix 1: Biographies of the Board of Directors and Executive Officers.

Appendix 2: Audited Financial Statements for the years ended 31 March 2024

**APPENDIX 1 – BIOGRAPHICAL DATA FORMS**

**DIRECTORS OF THE COMPANY**

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
info@ecseonline.com  
\_\_\_\_\_

Telephone No.:

List jobs held during past five years (include names of employers and dates of employment).

Give brief description of **current** responsibilities

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

*Use additional sheets if necessary.*

**APPENDIX 1(a) – BIOGRAPHICAL DATA FORMS**

**EXECUTIVE OFFICERS AND OTHER KEY PERSONNEL OF THE COMPANY**

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

info@ecseonline.com

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

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

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

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.*