NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED

Financial Statements

December 31, 2015

(Expressed in Eastern Caribbean Dollars)

CONTENTS

CORPORATE INFORMATION

REGISTERED OFFICE
Sandy Ground
Anguilla, British West Indies

DIRECTORS
Mr. Calvert Carty, Chairman
Ms. Clara Richardson, Director
Ms. Vida Lloyd-Richardson, Director
Mr. Seymour Hodge, Director
Mr. Caryl Connor, Director

SECRETARY
Ms. Anne Edwards

BANKER
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
National Investment Company of Anguilla Limited

We have audited the accompanying financial statements of National Investment Company of Anguilla Limited (the "Company"), which comprise the statement of financial position as at December 31 2015, and the related statements of comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT *(continued)*

To the Board of Directors and Shareholders of
National Investment Company of Anguilla Limited *(continued)*

Unqualified opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

BDO LLC

Chartered Accountants
29^{TH} of July 2016
The Valley
Anguilla, B.W.I

NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED
Statement of Financial Position
As at 31 December 2015

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	2015	2014
Assets			
Non-current assets			
Property and equipment - net	*8*	**34,442**	52,378
Investment properties - net	*9*	**7,897,500**	8,667,000
Available-for-sale investment securities	*10*	**570,420**	955,554
		8,502,362	9,674,932
Current assets			
Receivables		**15,711**	1,057
Cash on hand and in bank	*11*	**50,050**	13,638
		65,761	14,695
Total Assets		**8,568,123**	9,689,627
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	*12*	**4,700,205**	4,700,205
Retained earnings		**3,788,077**	4,925,890
Unrealized gain on available-for-sale investment securities	*10*	**50,715**	33,849
		8,538,997	9,659,944
Current liabilities			
Trade and other payables		**29,126**	29,683
Total Shareholders' Equity and Liabilities		**8,568,123**	9,689,627

These financial statements were approved on behalf of the Board of Directors on July 29, 2016 by the following:

Calvert Carty
Director

NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED
Statement of Loss
For the Year Ended 31 December 2015

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	2015	2014
Revenues	*9*	**74,250**	27
Cost of sales		**-**	-
		74,250	27
Expenses			
Loss on fair value change	*9*	**(769,500)**	**-**
Impairment loss	*10, 21*	**(402,000)**	**-**
Repairs and maintenance	*9*	**(21,600)**	-
Professional fees	*14*	**(19,688)**	(15,844)
Depreciation	*8*	**(11,782)**	(14,419)
Government taxes and licenses		**(3,659)**	(5,511)
Travel and entertainment		**(447)**	(442)
Annual general meeting		**(228)**	(24)
Loss on sale of fixed asset		**(214)**	**-**
Other administrative expenses	*15*	**(1,618)**	(962)
		(1,230,736)	(37,202)
Loss from operating activities		**(1,156,486)**	(37,175)
Finance income and expenses			
Interest Income		**242**	-
Dividend income	*16*	**18,431**	23,432
Net loss for the year		**(1,137,813)**	(13,743)
Attributable to the shareholders		**(1,137,813)**	(13,743)

The notes on pages 9 to 31 are an integral part of these financial statements.

NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED
Statement of Comprehensive Income/(Loss)
For the Year Ended 31 December 2015

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	**2014**	2013
Net loss for the year		**(1,137,813)**	(13,743)
Other comprehensive income/ (loss)			
Net change in fair values of available-for-sale investment securities	*10*	**16,866**	(4,521)
Total comprehensive income/(loss) for the year		**16,866**	(4,521)
Attributable to the shareholders		**(1,120,947)**	(18,264)

The notes on pages 9 to 31 are an integral part of these financial statements.

NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED
Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2015

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	2015	2014
Share capital - EC$1 par value			
Authorized - 5,000,000 shares			
Issued and outstanding	*12*	**4,700,205**	4,700,205
Unrealized gain on available-for-sale investment securities			
Balance at beginning of year		**33,849**	38,370
Net change in fair values of available-for-sale investment securities	*10*	**16,866**	(4,521)
Balance at end of year		**50,715**	33,849
Retained earnings			
Balance at beginning of year		**4,925,890**	4,939,633
Net loss		**(1,137,813)**	(13,743)
Balance at end of year		**3,788,077**	4,925,890
		8,538,997	9,659,944
Book value per share	*13*	**1.82**	2.06

The notes on pages 9 to 31 are an integral part of these financial statements.

NATIONAL INVESTMENT COMPANY OF ANGUILLA LIMITED
Statement of Cash Flows
As at 31 December 2015

(Expressed in Eastern Caribbean Dollars (EC$))

	Notes	**2015**	2014
Cash flows from operating activities			
Net loss for the year		**(1,137,813)**	(13,743)
Adjustments for:			
Dividend income	*16*	**(18,431)**	(23,432)
Interest Income		**(242)**	-
Loss on fair value change		**769,500**	
Loss on sale of property and equipment		**214**	-
Impairment Losses	*10, 21*	**402,000**	-
Depreciation	*8*	**11,782**	14,419
Operating income/(loss) before working capital changes		**27,010**	(22,756)
(Increase)/decrease in:			
Receivables		**(14,654)**	347
Increase/(decrease) in:			
Trade and other payables		**(557)**	7,543
Cash provided by/(used in) operating activities		**11,799**	(14,866)
Interest received		**242**	-
Net cash provided by/ (used in) operating activities		**12,041**	(14,866)
Cash provided by investing activities			
Dividend received		**18,431**	-
Proceeds from sale of property and equipment		**5,940**	23,432
Net cash provided by investing activities		**24,371**	23,432
Net increase in cash on hand and in bank		**36,412**	8,566
Cash on hand and in bank at beginning of year	*11*	**13,638**	5,072
Cash on hand and in bank at end of year	*11*	**50,050**	13,638

The notes on pages 9 to 31 form an integral part of the financial statements.

1. Reporting entity

National Investment Company of Anguilla Limited (the "Company") was incorporated in Anguilla under the provision of the Companies Act of Anguilla on 27th January 1989.

The Company's primary focus is to carry and provide a wide range of financial, commercial, trading, professional and other services in Anguilla. The Company's principal activity is leasing of properties. The Company operated as a wholesale business and a bookstore in the past.

The registered office of the Company is at AXA Offshore Management Limited, The Law Building, The Valley, Anguilla, and its principal place of business is at Sandy Ground, Anguilla, British West Indies.

2. Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company commenced operations in 1989 with the intention of developing 38 acres of land purchased. The concept to develop the land was drawn up but little has progressed since then. Instead the Company operated a wholesale business and a bookstore which were closed in 1994 and 2006, respectively, due to continued operating losses. After this, the Company's main source of income has been the leasing of its investment properties. However, the lease of the Company's building was terminated by the lessor on 31 October 2010. Effective February 2015, a new lessor is renting the property for a monthly rental of $6,750.

The Company incurred a net loss of $1,137,813 (2014: $13,743) for the year ended 31 December 2015 resulting in accumulated deficit of $2,238,173 (2014: $1,869,860). The accumulated deficits are net of the fair value adjustments on investment property detailed as follows:

		Accumulated deficit	
	Note	**2015**	2013
Balance per financial statement		**3,788,077**	4,925,890
Less fair value adjustment	*9*	**(6,026,250)**	(6,795,750)
		(2,238,173)	(1,869,860)

As a result of the continuous accumulated deficit, the Company has temporarily suspended its operations.

As stated in note 20, the Board of Directors agreed to propose to the shareholders, the winding-up of the operations of the Company in the annual general meeting scheduled last year.

2. Going concern *(continued)*

The Board of Directors is of the view that in the event, that the shareholder will not approve the winding-up, the Company will continue as at present with minimal operations administered directly by the Board. To date, no decision has been agreed by the Board and the shareholders as the annual general meeting last year was not materialize as there was no quorum.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption is not appropriate. If the going concern assumption is not appropriate for these financial statements, then adjustments would be required to the carrying values of assets and liabilities and reported expenses and the balance sheet classification used.

3. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis, except for available-for-sale securities and investment properties which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Eastern Caribbean Dollars (EC Dollars), which is the Company's functional and presentation currency. Except as otherwise indicated, all financial information presented in EC Dollars has been rounded to the nearest dollar.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 6 to the financial statements.

3. Basis of preparation *(continued)*

(e) Change in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Company has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of 1 January 2015:

- IAS 19 Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- IFRS 2 Share-based Payment - Definitions of vesting conditions
- IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
- IFRS 8 Operating Segments - Aggregation of operating segments
- IFRS 8 Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation/amortization
- IAS 24 Related Party Disclosures - Key management personnel
- IFRS 3 Business Combinations - Scope exceptions for joint ventures
- IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40

Adoption of these standards and interpretations did not have any material effect on the financial performance or financial position of the Company.

4. Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the Company's functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in the foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the Company's functional currency at the exchange rate at the date the fair value was determined. Foreign currency differences arising from re-translation are recognized in the profit or loss except for differences arising on re-translation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4. Significant accounting policies *(continued)*

(b) Financial instruments

i. Non-derivative financial instruments

Non-derivative financial instruments comprise cash on hand and in bank, available-for-sale investment securities, receivables, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments that are not fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash on hand and in bank

Cash on hand and in bank comprise cash balances on hand and in bank.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. Subsequent to initial recognition, receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale investment securities

Available-for-sale investment securities are non-derivative investments that are not designated as another category of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign currency differences on available-for-sale equity instruments, if any, are recognized directly in other comprehensive loss and presented within the statement of changes in shareholder's equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive loss is transferred to the profit or loss.

Other

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

ii. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity.

4. Significant accounting policies *(continued)*

(c) Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal within the carrying amount of property and equipment and are recognized net in profit or loss.

ii. Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

iii. Depreciation and amortization

Depreciation is recognized in profit or loss on the straight line basis over the estimated useful lives of each part of an item of property and equipment. Leasehold improvements are amortized over the shorter of the lease term and their estimated useful lives. The estimated useful lives for the current and comparative years are as follows:

Furniture and fixtures	3-4 years
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4. Significant accounting policies *(continued)*

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The investment properties, principally comprising of land and building are held by the Company for capital appreciation and for rental. It is carried at fair market value. A gain or loss arising from a change in the fair market values of investment properties is recognized in the profit and loss for the period in which it arises. Investment properties are derecognized when it has either been disposed of or the investment properties are permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses from derecognition of investment properties are recognized in profit or loss in the year of derecognition.

Fair value is determined by reference to market-based evidence. This means that valuations performed by the valuer are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The most recent revaluations were conducted on June 17, 2016.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the periodic method on a first-in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. Allowance is made for obsolete and slow moving items.

(f) Leases

Payments made under operating leases are recognized in the profit or loss on a straight-line basis over the term of the lease unless otherwise a systematic basis is more representative of the time pattern of the Company's benefits.

(g) Impairment

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

4. Significant accounting policies *(continued)*

(g) Impairment *(continued)*

i. Financial assets *(continued)*

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in the profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive loss, and presented in the fair value reserve in the statement of changes in shareholder's equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in other comprehensive loss.

ii. Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Is assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the profit or loss.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

4. Significant accounting policies *(continued)*

(i) Revenues

Revenue from goods sold
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rental
Revenue from rental of premises is recognized at the time the right to received payment is established.

Interest income
Revenue is recognized as interest accrues and takes into account the effective yield on the assets.

Dividend income
Revenue is recognized when the Company's right to receive payment is established.

(j) Related party transactions
Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

(k) Subsequent events
Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Significant accounting policies *(continued)*

(l) New standards, amendments to standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that have been issued but are not yet effective as at 31 December 2015 or not relevant to the Company's operations. These are as follows:

A number of new standards, amendments to standards and interpretations that have been issued but are not yet effective as at December 31, 2015 or not relevant to the Company's operations. These are as follows:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to IFRSs 2012 – 2014 Cycle)*
- *IFRS 7 Financial Instruments: Disclosures (Annual Improvements to IFRSs 2012–2014 Cycle)*
- *IFRS 9 Financial Instruments (own credit risk provision)*
- *IFRS 10 Consolidated financial statements (Amendments – Sale or Contribution of Assets)*
- *IFRS 10, 12 and IAS 28 Investment Entities (Amendments - Applying the Consolidation Exception)*
- *IFRS 11 Joint Arrangements (Amendments – Acquisitions of Interests in Joint Operations)*
- *IFRS 14 Regulatory Deferral Accounts*
- *IFRS 15 Revenue from Contracts with Customers*
- *IAS 1 Presentation of financial statements (Amendments – Disclosure Initiative)*
- *IAS 16 Property, Plant and Equipment (Amendments - Acceptable Methods of Depreciation)*
- *IAS 19 Employee Benefits (Annual Improvements to IFRSs 2012 – 2014 Cycle)*
- *IAS 27 Separate financial statements (Amendments – Equity Method in Separate financial statements)*
- *IAS 34 Interim Financial Reporting (Annual Improvements to IFRSs 2012 – 2014 Cycle)*
- *IAS 38 Intangible Assets (Amendments – Acceptable Methods of Amortisation)*
- *IAS 41 Agriculture (Amendments – Bearer Plants)*
- *IFRS 16 Leases*

The effects of IFRS 15 Revenues from Contracts with Customers and IFRS 9 Financial Instruments are still being assessed, as these new standards may have an effect on the Company's future separate financial statements.

5. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

(a) Investment properties
The fair value of investment properties is recognized based on market values. The market value of the property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

(b) Available-for-sale investment securities
The fair value of available-for-sale investment securities is determined by reference to their quoted market price at the reporting date.

(c) Receivables
The fair values of receivables approximate their carrying amounts due to the short-term nature of the related transactions.

(d) Cash on hand and in bank
Due to the short-term nature of the transactions, the fair values of cash on hand and in bank approximate their carrying amounts as at reporting date.

(e) Trade and other payables
Due to the short-term nature of the related transactions, the fair values of trade and other payables approximate their carrying amounts as at reporting date.

6. Financial risk management

a. Overview
The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors (the "Board") has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

6. Financial risk management *(continued)*

(a) Overview *(continued)*

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in the relation to the risks faced by the Company.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's available-for-sale investment securities and receivables.

Available-for-sale investment securities
The Company limits its exposure to credit risk by only investing in liquid equity securities on various investment companies in the Caribbean. Management does not expect the related counterparty to fail to meet its obligations except for its investment with the National Bank of Anguilla.

Receivables
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables and investment securities. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

6. Financial risk management *(continued)*

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

All of the Company's transactions are denominated either in EC Dollars or US Dollars, the EC Dollar being the Company's functional currency. As such, the Company does not have exposure to foreign currency risk in respect of the US Dollars because it is pegged at US$1 for EC$2.70

Market price risk

The Company's investment securities pertain to investment in equity securities on various companies in the Caribbean which are not subject to market price changes except for the Company's investment in Cable and Wireless Communication Plc. The Company is only exposed to market price risk with regards to these investments.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors return on equity, which the Company defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to shareholders.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

7. Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following are the critical estimates and judgments used in applying accounting policies that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year and/or in future periods:

(a) Allowance for impairment losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in Note 3 (h) (i).

(b) Determination of fair values

The fair values of financial and non-financial assets and liabilities have been determined for measurement and/or disclosure purposes based on the methods described in Note 4. The carrying and fair values of financial are presented in Note 15.

7. Critical accounting estimates and judgment *(continued)*

(c) Investment properties

The fair values of investment properties are recognized based on market values. The market values of the properties are the estimated amount for which such properties could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

8. Property and equipment - net

	Building and improvements	Furniture and equipment	Total
Cost			
31 December 2013	77,919	295,078	372,997
Additions	-	-	-
31 December 2014	77,919	295,078	372,997
Additions	-	-	-
Disposals	(19,635)	-	(19,635)
31 December 2015	**58,284**	**295,078**	**353,362**
Accumulated depreciation			
31 December 2013	45,937	260,263	306,200
Depreciation	7,792	6,627	14,419
31 December 2014	53,729	266,890	320,619
Depreciation	6,210	5,572	11,782
Disposals	(13,481)	-	(13,481)
31 December 2015	**46,458**	**272,462**	**318,920**
Net book values			
31 December 2014	24,190	28,188	52,378
31 December 2015	**11,826**	**22,616**	**34,442**

9. Investment properties

Details of the investment properties follow:

	2015	2014
Land Gibbons Estate	**1,253,404**	1,253,404
Land Sandy Ground	**284,029**	284,029
Gibbons Estate improvement	**69,820**	69,820
Sandy Ground building and improvement	**263,997**	263,997
	1,871,250	1,871,250
Fair value adjustments 2009	**6,687,750**	6,687,750
Fair value adjustments 2012	**108,000**	108,000
Fair value adjustments 2015	**(769,500)**	-
	6,026,250	6,795,750
	7,897,500	8,667,000

As at 1 January 2009, the Company changed its accounting policy for the measurement of investment properties to the fair value model. The Company engaged Richards Architecture Development and Survey Co. Ltd., an accredited independent valuer, to determine the fair value of the investment properties. This change resulted to an increase in the value of the investment property amounting to $6,687,750.

As at 31 December 2012, the fair values of the Company's investment properties were assessed again by Richards Architecture Development and Survey Co. Ltd. on September 17, 2013. The new valuation resulted to an increase in the value of the investment property amounting to $108,000.

As at 31 December 2015, the fair values of the Company's investment properties were assessed again by Richards Architecture Development and Survey Co. Ltd. on June 17, 2016. The new valuation resulted to a decrease in the value of the investment property amounting to $769,500.

Details of the properties and the methods used in determining the fair value follows:

a. Gibbons estate is composed of 36.70 acres of land located in Lockrum estate. The location of these parcels of land is conducive for housing development. Based on the report of the valuer, the method used was the comparable method where he based the market price on the prices being realized for similar properties.

b. The property in Sandy Ground is composed of 2.0 acres of land with a commercial building thereon. Based on the report of the valuer, the method used was the comparable method where he based the market price on the prices being realized for similar properties.

The methods used in determining the fair values are the same in the latest and initial valuation which is categorized under level 3 of the fair value hierarchy.

9. Investment properties *(continued)*

As at 31 December 2015, there is a lessor occupying the Company's properties which commenced February 2015 for a period of one year and renewable on an annual basis. Total rental income earned as at December 31, 2015 amounted to $74,250. The Company also incurred $21,600 during the year for the repairs and maintenance of the properties.

10. Available-for-sale investment securities

	2015	2014
National Bank of Anguilla Limited	**402,000**	402,000
Anguilla National Insurance Company Limited	**214,600**	214,600
Eastern Caribbean Home Mortgage Bank	**200,000**	200,000
Anguilla Electricity Company Limited	**120,000**	120,000
Anguilla Mortgage Company Limited	**30,000**	30,000
Cable and Wireless Communications Plc	**50,820**	33,954
	1,017,420	1,000,554
Less allowance for decline in value	**(45,000)**	(45,000)
	972,420	955,554
Less allowance for impairment losses	**(402,000)**	-
	570,420	955,554

The changes in the fair values of investment securities are as follows:

	Notes	2015	2014
Fair value at beginning of year		**955,554**	960,075
Fair value at end of year		**972,420**	955,554
Change in fair value		**16,866**	(4,521)

The movements of the "Unrealized gain on available-for-sale investment securities" account as a result of changes in the fair values of these investments are as follows:

	2015	2014
Unrealized gain beginning of year	**33,849**	38,370
Change in fair value	**16,866**	(4,521)
Unrealized gain end of year	**50,715**	33,849

11. Cash on hand and in bank

	2015	2014
Cash in bank	**50,050**	13,394
Petty cash fund	**-**	244
	50,050	13,638

The cash in bank earns interest at prevailing market interest rates.

12. Share capital

	2015	2014
Authorized		
100,000 founders shares at EC$1.00 each	**100,000**	100,000
4,900,000 ordinary shares at EC$1.00 each	**4,900,000**	4,900,000
	5,000,000	5,000,000
Issued		
100,000 founders shares at EC$1.00 each	**100,000**	100,000
4,600,455 ordinary shares at EC$1.00 each	**4,600,455**	4,600,455
	4,700,455	4,700,455
Less call in arrears	**(250)**	(250)
	4,700,205	4,700,205

13. Earnings and book value per share

(a) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Note	**2015**	2014
Net loss for the year		**(1,137,813)**	(13,743)
Weighted average number of shares	*12*	**4,700,205**	4,700,205
		(0.2421)	(0.0029)

13. Earnings and book value per share *(continued)*

(b) Book value per share

The Company also presents book value per share data for its ordinary shares. Book value per share is calculated by dividing the total shareholders' equity by the total number of ordinary shares outstanding during the period.

	Note	2015	2014
Shareholders' equity		**8,538,997**	9,659,944
Total number of shares	*12*	**4,700,205**	4,700,205
		1.82	2.06

14. Professional fees

	2015	2014
Audit fee	**8,708**	11,610
Bookkeeping/Administrative Fees	**6,479**	-
Legal fee	**3,232**	4,234
IT professional fee	**1,269**	-
	19,688	15,844

15. Other administrative expenses

	Note	2015	2014
Utilities		**452**	347
Office supplies		**631**	-
Postage		**348**	121
Other		**187**	494
		1,618	962

16. Dividend income

	2015	2014
Cash dividend		
Eastern Caribbean Home Mortgage Bank	**15,000**	20,000
Anguilla Electricity Company Limited	**3,360**	3,360
Cable & Wireless PLC Limited	**71**	72
	18,431	23,432

17. Financial instruments

(a) Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure of the Company. The maximum exposure to credit risk as at 31 December 2015 and 2014 are as follows:

	Notes	**2015**	2014
Available-for-sale investment securities	*9*	**570,420**	955,554
Receivables		**15,711**	1,057
Cash on hand and in bank	*11*	**50,050**	13,638
		636,181	970,249

The maximum exposure to credit risks by geographical region is as follows:

	2015	2014
Caribbean region	**585,361**	936,295
Others	**50,820**	33,954
	636,181	970,249

17. Financial instruments *(continued)*

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	2015			
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6-12 months**
Trade and other payables	**29,126**	**29,126**	**29,126**	**-**
	29,126	**29,126**	**29,126**	**-**

	2014			
	Carrying amount	Contractual cash flows	6 months or less	6-12 months
Trade and other payables	29,683	29,683	29,683	-
	29,683	29,683	29,683	-

(c) Market risk

Market risk consists of interest and foreign exchange risks.

Interest risk
Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is affected where there is a mismatch between interest-earning assets and interest-bearing liabilities, which are subject to interest rate adjustments within a specified period. The Company's financial instruments are not exposed to interest rate risk since interest is earned from fixed rate time deposit which is included in cash on hand and in bank.

Price risk
The Company's financial assets are not exposed to price risk because prices are at pre-agreed rates except for available-for-sale investment securities held with trading companies. Total available-for-sale investment securities that are exposed to price risk as at 31 December 2015 amounted to EC$50,820 (2014: EC$33,954).

17. Financial instruments *(continued)*

(c) Market risk *(continued)*

Sensitivity analysis
A ten percent (10%) increase in the market price of the Company's available-for-sale investment securities at 31 December would have increased equity by EC$5,082 (2014: EC$3,395). This analysis assumes that all other variables remain constant.

A ten percent (10%) decrease in the market price of the Company's available-for-sale investment securities at 31 December would have had an equal but opposite effect on the same investment securities, on the basis that all other variables remain constant.

Foreign exchange risk
The Company is not exposed to any significant foreign exchange risk since most of the Company's transactions are in EC Dollars and United States Dollars (US Dollars). EC Dollar is fixed to US Dollar at the rate of EC$2.70.

(d) Fair values

As at 31 December 2015 and 2014, the fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2015		2014	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Available-for-sale investment securities	**570,420**	**570,420**	955,554	955,554
Receivables	**15,711**	**15,711**	1,057	1,057
Cash on hand and in bank	**50,050**	**50,050**	13,638	13,638
Trade and other payables	**(29,126)**	**(29,126)**	(29,683)	(29,683)
	607,055	**607,055**	940,566	940,566

The Company measures fair values of available-for-sale investment securities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical measurement.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

17. Financial instruments *(continued)*

(d) Fair values *(continued)*

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include inputs not based on observable data and the observable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads used in estimating discount rates, bond and equity prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

Fair value measurement of available-for-sale investment securities
Details of available-for-sale investment securities measured at fair value are as follows:

	Level 1		**Level 2**		**Level 3**	
	2015	2014	**2015**	2014	**2015**	2014
Quoted equity	**50,820**	33,954	**-**	-	**-**	-
Unquoted equity	**-**	-	**-**	-	**519,600**	921,600
	50,820	33,954	**-**	-	**519,600**	921,600

18. Commitments and guarantees

The Company does not have any outstanding commitments and guarantees as at 31 December 2015 and 2014.

19. Income tax

Income tax has not been provided for in these financial statements as there is no income, profit or other forms of direct taxation in Anguilla.

20. Other matters

During the March 25, 2015 Board of Directors meeting, the directors agreed to propose to the shareholders in the annual general meeting to wind-up the operations of the company due to the following:

a. Given the economic atmosphere on the island, it would be difficult to obtain capital for investment;
b. The fact that there is no current revenue stream, the repayment of long-term financing would be challenging and cause the company further financial hardship.

The directors also concurred that the following should be done:

a. Complete the audit of the financial statements for 2013/2014;

b. Establish the best opinions for liquidation of the company;

    i. Continuing as at present with minimal operations administered directly by the Board;
    ii. Voluntary winding up;
    iii. Sale of Company shares over the counter by those wishing to do so;
    iv. Outright sale of the Company to investors willing to buy out all shareholders; and
    v. Sale of a majority of the equity and surrender of control to an investor or investor group.

c. Arrange an Annual General Meeting; and

d. Liquidate the company based on the option voted upon at the Annual General Meeting

The directors also agreed that in the event, that the shareholder will not approve the winding-up, the Company will continue as mentioned in item b (i).

As at today, there is no decision and no update with regards to the above mentioned items as the annual general meeting last year was not materialize as there was no quorum.

21. Subsequent events

National Bank of Anguilla and Caribbean Commercial Bank (Anguilla) Limited Conservatorship and Receivership

On the 22nd of April 2016, the Chief Minister of Anguilla issued the statement on the resolution of the National Bank of Anguilla Limited and the Caribbean Commercial Bank (Anguilla) Limited conservatorship. Extract of the Chief Minister statement follows:

21. Subsequent events *(continued)*

National Bank of Anguilla and Caribbean Commercial Bank (Anguilla) Limited Conservatorship and Receivership *(continued)*

"After careful and comprehensive analyses of the challenges that were affecting the operations of the CCB and the NBA, the Monetary Council and the Government of Anguilla agreed that discontinuing the operations of the banks was the best option for safeguarding the deposits which were held at the banks. The Government of Anguilla and the ECCB supported by the IMF, The World Bank and CDB devised a plan so that domestic deposits will be protected following the resolution. The plan involved:

a. Good assets and matching deposit liabilities up to a threshold of approximately EC$2.8m from both CCB and NBA to be transferred to a bridge bank, the newly established National Commercial Bank of Anguilla (NCBA);

b. Deposit liabilities over the EC$2.8m threshold from both banks to be transferred to a Deposit Protection Trust (DPT).

As part of the resolution process, the ECCB has appointed Mr. Gary Moving as Receiver for both CCB and NBA. Mr. Moving served as conservator at the CCB during the period of conservatorship.

The Government of Anguilla is of the view that the Deposit Protection Trust is the best alternative method because it fully protects customer deposits. This fits with our principle objective. The alternative to being placed in the DPT is to be placed in the receivership. In the receivership, claim holders are only entitled to proceeds from the liquidation of non-performing loans based on their position in the hierarchy of claims as established by the Banking Act."

Due to the above, the Company believes that the value of their investments to the National Bank of Anguilla Limited is **nil** as at December 31, 2015 due to the uncertainty on the result and outcome of the receivership and the Company's position in the hierarchy of claims.