

**PALO SECO CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of Palo Seco Credit Union Co-Operative Society Limited which comprise the statement of financial position as at 31st December, 2017 and the statement of comprehensive income, statement of appropriated funds and undivided surplus and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Palo Seco Credit Union Co-Operative Society Limited as at 31st December, 2017 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (*IFRS*).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (*ISAs*). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethical Standards Board for Accountants Code of Ethics for Professional accountants (*IESBA Code*), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

**54 Jarvis Street,
Vistabella.
26th January, 2018.**

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**SHAFFICK HOSEIN & CO
CHARTERED ACCOUNTANTS
AND
FORENSIC CERTIFIED PUBLIC ACCOUNTANTS**

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
BALANCE SHEET
FOR THE YEAR ENDED
31ST DECEMBER, 2017

| | <u>NOTES</u> | <u>2017</u> | <u>2016</u> |
|-----------------------------------|--------------|----------------------|----------------------|
| <u>ASSETS</u> | | | |
| Cash on Hand | 4 | 350,672 | 790,055 |
| Cash at Bank | 4 | 11,941,354 | 41,020,973 |
| Fixed Deposits | 4 | 151,774,128 | 95,069,741 |
| Accounts Receivable & Prepayments | 5 | 2,564,805 | 885,086 |
| Interest Receivable | 6 | 1,566,750 | 1,545,260 |
| Members Loans | 7 | 200,978,373 | 211,408,773 |
| Investments | 8 | 90,153,962 | 72,592,466 |
| Fixed Assets | 9 | <u>9,906,367</u> | <u>10,364,028</u> |
| | | <u>469,236,411</u> | <u>433,676,382</u> |
| <u>LIABILITIES</u> | | | |
| Due to Deceased Members | | 4,458,523 | 4,179,780 |
| Special Deposit | | 12,617,661 | 14,152,330 |
| Members Deposits | | 7,928,191 | 5,883,724 |
| Accounts Payable & Accruals | | 1,781,659 | 2,561,511 |
| Thrift Investment Account | | <u>440,679</u> | <u>528,516</u> |
| | | <u>27,226,713</u> | <u>27,305,861</u> |
| <u>MEMBERS' ACCOUNTS</u> | | | |
| Members' Share Balance | 11 | 375,170,740 | 341,086,502 |
| Retained Earnings | | 19,498,514 | 27,806,504 |
| Reserve Fund | | 26,190,068 | 24,113,109 |
| Education Fund | | 5,941,651 | 5,591,338 |
| Special Reserve Fund | | 192,440 | 41,136 |
| Investment Re-valuation Reserve | 12 | 14,463,440 | 7,727,159 |
| Supplemental Special Reserve Fund | | <u>552,845</u> | <u>4,773</u> |
| | | <u>442,009,698</u> | <u>406,370,521</u> |
| LIABILITIES AND MEMBERS' ACCOUNTS | | <u>\$469,236,411</u> | <u>\$433,676,383</u> |

Alvin Stephenson
President

Neil Derrick
Treasurer

Karen McDonald
Supervisory Committee Member

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER, 2017

| | <u>NOTES</u> | <u>2017</u> | <u>2016</u> |
|---------------------------------------|--------------|----------------------------|----------------------------|
| <u>REVENUE</u> | | | |
| Loan Interest | | 24,098,407 | 24,673,794 |
| Interest on Fixed Deposit | | 5,842,529 | 7,062,679 |
| Investment Income | | 1,488,323 | 1,565,322 |
| Interest on Current & Savings Account | | 22,237 | 7,847 |
| Fitness Centre Income | 14 | 171,180 | 184,342 |
| Other Income | | <u>258,371</u> | <u>207,806</u> |
| TOTAL REVENUE | | <u>31,881,047</u> | <u>33,701,790</u> |
| <u>EXPENSES</u> | | | |
| Depreciation | | 953,996 | 882,524 |
| Administration and Other Officers | 15a 15b | 3,595,955 503,828 | 5,264,052 507,213 |
| Employee Cost | 15c | 5,679,152 | 5,625,665 |
| Interest & Bank Charges | 15d | <u>438,891</u> | <u>503,913</u> |
| TOTAL EXPENSES | | <u>11,171,822</u> | <u>12,783,367</u> |
| Net Surplus | | 20,709,225 | 20,918,423 |
| (Loss)/Gain on Foreign Exchange | | (9,989) | 30,314 |
| Exceptional Item | 13 | <u>31,829</u> | <u>6,286,241</u> |
| INCOME BEFORE APPROPRIATION | | <u>\$20,731,065</u> | <u>\$27,234,978</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

| | <u>RESERVE FUND</u> | <u>EDUCATION FUND</u> | <u>SPECIAL RESERVE FUND</u> | <u>SUPPLEMENTAL SPECIAL RESERVE</u> | <u>UNDIVIDED SURPLUS</u> |
|--|-------------------------|---------------------------|-------------------------------------|---|------------------------------|
| Balance as at January, 1 st 2017 | 24,113,109 | 5,591,338 | 41,136 | 4,773 | 27,806,504 |
| <u>ADD</u> : Net Surplus for the Year | - | - | - | - | 20,731,065 |
| 10% to Reserve Fund | 2,073,107 | - | - | - | (2,073,107) |
| 5% of the Balance to Education Fund | - | 932,898 | - | - | (932,898) |
| Appropriation | <u>-</u> | <u>-</u> | <u>300,000</u> | <u>150,000</u> | <u>(450,000)</u> |
| | 26,186,216 | 6,524,236 | 341,136 | 154,773 | 45,081,564 |
| Entrance Fees | 3,852 | - | - | - | - |
| Education Fund Expenses | - | (625,110) | - | - | - |
| Education Fund Receipts | - | 42,525 | - | - | - |
| Supplemental Special Reserve Fund | - | - | - | (147,838) | - |
| Supplemental Special Reserve Fund | - | - | - | 545,910 | - |
| Deceased Members | - | - | (148,696) | - | - |
| Dividend Paid 2017 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(25,583,050)</u> |
| Balance as at 31 st December, 2017 | <u>\$26,190,068</u> | <u>\$5,941,651</u> | <u>\$192,440</u> | <u>\$552,845</u> | <u>\$19,498,514</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED
31ST DECEMBER, 2017

| <u>OPERATING ACTIVITIES</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Net Surplus after Extra Ordinary Items | 20,731,065 | 27,234,978 |
| <u>Add/(Deduct) items not involving Cash:</u> | | |
| Depreciation | <u>953,996</u> | <u>882,524</u> |
| Operating Profit after Working Capital Changes | <u>21,685,061</u> | <u>28,117,502</u> |
| <u>Changes in Operating In Non-Cash Working Capital Amounts:</u> | | |
| (Increase)Decrease in Interest Receivable | (21,490) | 13,197,923 |
| (Increase)/Decrease in Accounts Receivable and Prepayments | (1,679,719) | 94,323 |
| (Decrease)/Increase in Accounts Payable and Accruals | (779,851) | 1,145,083 |
| Increase/(Decrease) in Supplemental Special Reserve Fund | 398,072 | (433,845) |
| (Increase) in Education Fund | (582,585) | (427,444) |
| (Increase) in Special Reserve Fund | (148,696) | (406,529) |
| Increase in Investment Re-valuation Reserve | 6,736,281 | 2,059,264 |
| Increase in Reserve Fund | 3,852 | 509 |
| (Decrease) in Thrift Investment | (87,838) | 30,576 |
| Increase in Amounts Due to Deceased Members | <u>278,743</u> | <u>1,027,714</u> |
| | <u>4,116,769</u> | <u>16,287,574</u> |
| Net Cash Provided by Operating Activities | <u>25,801,830</u> | <u>44,405,076</u> |
| <u>INVESTING ACTIVITIES</u> | | |
| Increase/(Decrease) in Members Loans | 10,430,402 | (2,337,630) |
| (Increase) in Fixed Assets | (496,334) | (2,040,774) |
| (Increase) in Long Term Investments | <u>(17,561,496)</u> | <u>(9,470,144)</u> |
| Cash used in Investing Activities | <u>(7,627,428)</u> | <u>(13,848,548)</u> |
| <u>FINANCING ACTIVITIES</u> | | |
| Dividends Paid | (25,583,050) | (14,182,258) |
| Increase in Members Shares | 34,084,236 | 29,238,519 |
| Increase in Members' Deposits | <u>509,797</u> | <u>329,541</u> |
| Net Cash from Financing Activities | <u>9,010,983</u> | <u>15,385,802</u> |
| Net Increase in Cash and Cash Equivalents | 27,185,385 | 45,942,330 |
| Cash and Cash Equivalents at beginning of year | <u>136,880,769</u> | <u>90,938,439</u> |
| Cash and Cash Equivalents at end of year | <u>\$164,066,154</u> | <u>\$136,880,769</u> |
| <u>REPRESENTED BY:</u> | | |
| Cash in Hand and at Bank | 12,292,026 | 41,811,028 |
| Short Term Investments | <u>151,774,128</u> | <u>95,069,741</u> |
| | <u>\$164,066,154</u> | <u>\$136,880,769</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

These notes are applicable to the Credit Union's Financial Statements.

1. REGISTRATION AND OBJECTIVES

The Society was registered under The Co-operative Society Act of Trinidad and Tobago on January 30, 1948.

It operates as a Credit Union for the benefit of persons of good character who are residents of Los Bajos and environs, all employees of Trinidad and Tobago Petroleum Company Limited and of any industry or commercial enterprise operating within the area of operation of the Society, permanent employees of the Society and other registered co-operative societies in the Republic of Trinidad and Tobago.

It is governed by the Laws of the Republic of Trinidad and Tobago; and its Bye-laws as adopted by members, at resolutions, at general meetings.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in these financial statements have been applied consistently to all periods presented in the financial statements and are set out hereunder.

(a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board; and are presented in Trinidad and Tobago dollars, which is the functional currency, and rounded to the nearest whole dollar.

The financial statements are prepared on the historical cost basis modified for the inclusion of investments at fair value through profit and loss, revaluation of property, plant and equipment and available-for-sale investments at fair value.

(b) Revenue Recognition

Interest income is accounted for on the accrual basis for investments. Interest on loans is accounted for on a cash basis, at the rate prescribed by the Bye-Laws of this Credit Union.

(c) Foreign Currency

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Foreign monetary assets and liabilities are translated at the exchange rate prevailing at the balance sheet date. Resulting translation differences and profits and losses from trading activities are included in the statement of income.

(d) Financial Assets and Liabilities

Financial instruments carried on the balance sheet include cash resources, investments, loans, deposits and other liabilities. The standard treatment for recognition, de-recognition, classification and measurement of this Credit Union's financial instruments are noted in notes (i) to (iv).

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

(i) Recognition

The Credit Union initially recognizes loans, advances and deposits on the date they originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the transaction date on which this Credit Union becomes a party to the contractual provision of the instrument.

(ii) De-recognition

This Credit Union derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

This Credit Union derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(iii) Classification

This Credit Union classifies its financial assets into the following categories: financial assets at fair value through profit and loss; loans and receivables; held- to-maturity and available-for-sale assets. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through the income statement

This category includes financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when this Credit Union provides money directly to its members with no intention of trading the receivable.

Held to maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that this Credit Union's management has the positive intention and ability to hold to maturity. Were this Credit Union to sell other than a significant amount of held-to-maturity assets, the entire category would be compromised and re-classified as available-for-sale.

Available for sale

Available-or-sale investments are those intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

(iv) **Measurement**

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition, all financial assets at fair value through profit and loss and available-for-sale assets are measured at fair value, based on their quoted market price, at the balance sheet date, without any deduction for transaction costs. Where the instrument is not actively traded or quoted on recognized exchanges, fair value is determined using discounted cash flow analysis.

Any available-for-sale assets that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction cost, less impairment losses.

All non-trading financial liabilities, originated loans and receivables and held-to-maturity assets are measured at amortized costs less impairment losses. Amortized cost is calculated on the effective interest method.

(e) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, deposits with banks and short term highly liquid investments with maturities of three months or less when purchased. These are shown at cost.

(f) **Investment Securities**

Debt investments that this Credit Union has the intent to hold to maturity are classified as held-to-maturity assets. All other investments are classified as available-for-sale.

On disposal or on maturity of an investment, the difference between the net proceeds and the carrying amount is included in the statement of income. When available-for-sale assets are sold, converted or otherwise disposed of, the cumulative gain or loss recognized in equity is transferred to the statement of income.

(g) **Loans**

Loans and advances granted by this Credit Union are stated at cost (amortized cost).

A loan is classified as non-accrual when principal or interest is past due or when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of principal or interest. Non-accrual loans may revert to performing status when all payments become fully current or when management has determined there is no reasonable doubt of ultimate collectability.

Loans are written off after all the necessary legal procedures have been completed and the amount of the loss is finally determined.

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

This Credit Union maintains a loan loss provision, which in management's opinion, is adequate to absorb all incurred credit-related losses in its loan portfolio. The loan loss provision is calculated using a formula method taking into account recent loss experience.

The provision for the year, less recoveries of amounts previously written off and the reversal of provisions no longer required, is disclosed in the statement of income as loan loss expense.

(h) Fixed Assets

Fixed assets are stated at historical costs or valuation. Depreciation is provided at the following rates considered appropriate to write off the assets over their estimated useful lives:

| | | |
|-------------------------------|---|--|
| Building | - | 4 % straight line |
| Office Furniture, Equipment & | - | 27 ½ % in the first year thereafter 7½% reducing balance |
| Computer Hardware & Software | - | 7 ½ % on the reducing balance |

3. CREDIT UNION POLICIES

The governance policies of this Credit Union include the following.

(a) Reserve Fund

In accordance with Bye Law 19 of the Society and The Co-operative Society Act, 1971, Section 47 (2), at least 10 % of the net surplus of the Society for the year is to be transferred to a reserve fund. All losses on investments, which are beyond the control of the Society, are written off in the Reserved Fund.

(b) Education Fund

In accordance with Bye Law 19 of the Credit Union, an amount of not less than 5 % of the net surplus of the year, after making provision for the reserve fund may be credited to an education fund. This fund is to be used for educational purposes.

(c) Dividends

Dividends are recommended by the Board of Directors and confirmed by the members at the Annual General Meeting. The dividend is computed on the basis of the average number of shares in issue throughout the year, the average being determined on the basis of the number of shares in issue at the end of each month.

The Board of Directors has proposed a dividend of 5.5% - \$19,093,820 for the year ended December 31st, 2017 to be credited to the members share balances when approved and paid.

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

(d) Special Reserve Fund

This fund has been established in accordance with the authority given to the general meeting in accordance with Bye Law 19 (f) of the Credit Union and is being used a maximum of \$24,000 per member and increasing shares of deceased members to a maximum of \$9,600 per member in accordance with a specific ratio of shareholding at time of death/age.

(e) Stabilization Fund

The Credit Union is no longer a member of the Stabilization Fund with effect from 15th September, 2007.

(f) Supplemental Reserve Fund

This fund has been established in accordance with the authority given to the Annual General Meeting in accordance with Bye Law 7(d) of the Credit Union to increase the life savings and loan protection coverage of members to \$25,000 and \$50,000 respectively.

| 4. <u>CASH ON HAND AND AT BANK</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| Current Account – Republic Bank | 8,607,576 | 33,960,258 |
| Multiplier Account | 89 | 89 |
| Current Account – RBTT Bank | 1,832,653 | 1,138,986 |
| U.S. Account | 153,336 | 556,975 |
| Current Account – First Citizens Bank | 1,272,172 | 5,166,965 |
| Current Account – First Citizens Bank-GYM | 75,528 | 197,700 |
| Cash in Transit – Gym | 7,338 | 3,643 |
| Cash on Hand | <u>343,334</u> | <u>786,412</u> |
| | 12,292,026 | 41,811,028 |
| Fixed Deposits | <u>151,774,128</u> | <u>95,069,741</u> |
| Cash Resources | <u>\$164,066,154</u> | <u>\$136,880,769</u> |

| 5. <u>ACCOUNTS RECEIVABLES AND PREPAYMENTS</u> | <u>2017</u> | <u>2016</u> |
|---|--------------------|--------------------|
| Prepayment | 105,521 | 49,138 |
| Ministry of National Security | 101,390 | 600 |
| Ministry of Works & Transport | 13,623 | 18,795 |
| Ministry of Education | 192,099 | -- |
| Ministry of Health | 14,962 | 155,452 |
| Trinmar Limited | 82,432 | 31,348 |
| Petrotrin | 1,355,261 | 174,986 |
| Other | <u>699,517</u> | <u>454,767</u> |
| | <u>\$2,564,805</u> | <u>\$885,086</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

6. INTEREST RECEIVABLE **2017** **2016**

Interest receivable is stated at total amount of interest outstanding net of provision for possible uncollectible balances.

| | | |
|---|--------------------|--------------------|
| Outstanding interest receivable | 2,663,360 | 2,641,870 |
| Less: Provision for possible Uncollectible interest | (1,096,610) | (1,096,610) |
| | <u>\$1,566,750</u> | <u>\$1,545,260</u> |

7. LOANS TO MEMBERS **2017** **2016**

Loans to members are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

| | | |
|---------------------------------|----------------------|----------------------|
| Outstanding principal balances | 207,039,607 | 216,494,976 |
| Less: Provision for loan losses | (6,061,234) | (5,086,203) |
| | <u>\$200,978,373</u> | <u>\$211,408,773</u> |

8. (i) INVESTMENTS **2017** **2016**

Held For Trading

| | | |
|-------------------------------------|---------------------|-------------------|
| Unit Trust First Unit Scheme | 2,412,976 | 2,400,346 |
| Unit Trust Second Unit Scheme | 1,152,310 | 1,145,794 |
| Unit Trust Money Market Fund | 17,856 | 17,097 |
| Unit Trust Chaconia Growth & Income | 320,692 | 280,366 |
| FCB El Tucuche Fixed Income Fund | 8,350,521 | 8,246,744 |
| Sheppard Securities (FCB) | 1,612,704 | 1,762,887 |
| AIC Energy 6.25% Note | 4,237,505 | 4,237,505 |
| Investment Wealth – Kijani (1) | 2,100,830 | 2,100,830 |
| Investment Wealth – Kijani (2) | 1,126,567 | 1,126,567 |
| KSBM Asset Management | <u>6,651,138</u> | <u>6,111,998</u> |
| | <u>\$27,983,099</u> | <u>27,430,134</u> |

Available for Sale

| | | |
|--|--------------------|--------------------|
| | <u>2017</u> | <u>2016</u> |
| T.C.L. Shares | 75,000 | 88,000 |
| Republic Bank Shares | 273,671 | 292,354 |
| Scotia Bank Shares | 1,023,022 | 1,001,574 |
| Royal Bank Canada Shares | 550,362 | 469,080 |
| Neal & Massy Shares | 1,433,925 | 1,552,772 |
| AIC Financial GRP Class D 5% Preference Shares | 2,000,000 | 2,000,000 |
| AIC Financial GRP 6.5% Preference Shares | 3,047,399 | 3,047,399 |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

Available for Sale Continued.....

| | <u>2017</u> | <u>2016</u> |
|----------------------------------|----------------------------|------------------------------|
| Praetorian Property | 152,500 | 138,000 |
| National Commercial Bank Jamaica | 627,000 | 300,000 |
| CMMB Shares | 3 | 3 |
| Grace Kennedy | 4,500 | 4,005 |
| Guardian Holdings Limited | 476,840 | 354,200 |
| Bourse Brazil Latin Fund | 526,500 | 541,129 |
| Republic Caribbean Equity Fund | 528,410 | 513,294 |
| Jamaica Money Market Brokers | 172,920 | 94,320 |
| Sagicor Financial Corp | 743,850 | 734,350 |
| Scotia Investments Jamaica Ltd | - | 201,000 |
| National Enterprises Limited | <u>196,000</u> | <u>213,000</u> |
| | <u>\$11,831,902</u> | <u>\$\$11,544,480</u> |

Held to Maturity

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| US Dollar Life | 292,670 | 281,596 |
| Guardian Global Fund Solution | 1,338,683 | 1,155,871 |
| AIC Energy Med T/Note | 3,762,395 | 3,762,395 |
| Guardian Life Evolution Series | 6,824,154 | 6,187,942 |
| NIPDEC 19 Year TT Bond | 5,412,479 | 5,412,479 |
| Agostini 8% Bonds – Sheppard’s Security | 31,670,363 | 15,779,351 |
| Sagicor Financial Ltd | <u>1,038,217</u> | <u>1,038,218</u> |
| | <u>\$50,338,961</u> | <u>\$33,617,852</u> |
| Total Investments | <u>\$90,153,962</u> | <u>\$72,592,466</u> |

(ii) **INVESTMENTS**

2017 **2016**

At the date of the audit report on 26th January, 2018, the market value of the following investments decreased by the sum of \$8,864,808 as follows:-

| | | |
|--|----------------------------|----------------------------|
| Unit Trust First Unit Scheme | 2,412,976 | 2,400,346 |
| Unit Trust Second Unit Scheme | 1,152,310 | 1,145,794 |
| Unit Trust Money Market Fund | 17,856 | 17,096 |
| Unit Trust Chaconia Growth & Income | 320,692 | 280,366 |
| FCB El Tucuche Fixed Income Fund | 8,350,521 | 8,426,744 |
| Sheppard Securities – Cash and Cash Equivalent | 6,831,692 | 15,718,114 |
| Bourse Brazil Latin Fund | 526,500 | 541,129 |
| Scotia Bank Investment Jamaica | - | 219,000 |
| KSBM Asset Management | <u>6,651,138</u> | <u>6,222,409</u> |
| | <u>\$26,263,685</u> | <u>\$34,970,998</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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continued.....

| <u>Available for Sale</u> | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| T.C.L. Shares | 75,000 | 85,200 |
| Republic Bank Shares | 273,644 | 286,720 |
| Scotia Bank Shares | 1,040,895 | 993,063 |
| Royal Bank Canada Shares | 578,605 | 506,559 |
| Neal & Massy Shares | 1,418,398 | 1,582,633 |
| AIC Financial GRP Class D 5% Preference Shares | 2,000,000 | 2,000,000 |
| AIC Financial GRP 6.5% Preference Shares | 3,047,339 | 3,047,339 |
| Praetorian Property | 152,500 | 150,000 |
| National Commercial Bank Jamaica | 660,000 | 360,000 |
| CMMB Shares | 3 | 3 |
| Grace Kennedy | 5,175 | 3,945 |
| Guardian Holdings Limited | 476,000 | 413,840 |
| Republic Caribbean Equity Fund | 542,615 | 525,344 |
| Jamaica Money Market Brokers | 189,688 | 134,144 |
| Sagicor Financial Corp | 751,450 | 1,038,217 |
| Scotia Investments Jamaica Ltd | - | 219,000 |
| National Enterprises Limited | <u>193,400</u> | <u>216,200</u> |
| | <u>\$11,404,712</u> | <u>\$11,562,207</u> |

9. FIXED ASSETS

| <u>COST</u> | <u>FURNITURE & EQUIPMENT</u> | <u>COMPUTERS</u> | <u>LAND & BUILDINGS</u> | <u>TOTAL</u> |
|--|--------------------------------------|------------------|---------------------------------|---------------------|
| AS AT 1 ST JANUARY, 2017 | 2,617,136 | 1,570,105 | 12,636,437 | 16,823,678 |
| ADDITIONS | <u>4,254</u> | <u>57,035</u> | <u>435,045</u> | <u>496,334</u> |
| AS AT 31 ST DECEMBER, 2017 | <u>2,621,390</u> | <u>1,627,140</u> | <u>13,071,482</u> | <u>17,320,012</u> |
| <u>ACCUMULATED DEPRECIATION</u> | | | | |
| AS AT 1 ST JANUARY, 2017 | 1,721,758 | 794,793 | 3,943,098 | 6,459,649 |
| DEPRECIATION 2017 | <u>223,414</u> | <u>235,760</u> | <u>494,822</u> | <u>953,996</u> |
| AS AT 31 ST DECEMBER, 2017 | <u>1,945,172</u> | <u>1,030,553</u> | <u>4,437,920</u> | <u>7,413,645</u> |
| <u>NET BOOK VALUE</u> | | | | |
| AS AT 31 ST DECEMBER, 2017 | <u>\$676,218</u> | <u>\$596,587</u> | <u>\$8,633,562</u> | <u>\$9,906,367</u> |
| AS AT 31 ST DECEMBER, 2016 | <u>\$895,378</u> | <u>\$775,312</u> | <u>\$8,693,338</u> | <u>\$10,364,028</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

10. DUE TO DECEASED MEMBERS

This represents amounts owing to beneficiaries of deceased members and includes the excess of their share balances over loan balances plus any benefit due to them as per Note 3 (d).

11. MEMBERS' SHARE BALANCES

Members' shares consist of 75,034,147 shares of \$5 each.

12. INVESTMENT RESERVE FUND

This fund represents the increase in the fair value of the Credit Union's investments during the year.

| 13. <u>EXCEPTIONAL ITEM</u> | <u>2017</u> | <u>2016</u> |
|------------------------------------|--------------------|---------------------|
| Prior Year Adjustment | \$ <u>31,829</u> | \$ <u>6,286,241</u> |

| 14. <u>FITNESS CENTRE INCOME</u> | <u>2017</u> | <u>2016</u> |
|---|--------------------|--------------------|
| Registration Fees | 3,025 | 2,850 |
| Membership Fees | <u>165,451</u> | <u>179,845</u> |
| | <u>\$168,476</u> | <u>\$182,695</u> |
| Sales | 13,830 | 15,292 |
| Purchases | <u>(11,126)</u> | <u>(13,645)</u> |
| | <u>2,704</u> | <u>1,647</u> |
| TOTAL INCOME | <u>\$171,180</u> | <u>\$184,342</u> |

| 15. <u>EXPENSES</u> | <u>2017</u> | <u>2016</u> |
|----------------------------|--------------------|--------------------|
|----------------------------|--------------------|--------------------|

a) **Administrative and Other**

| | | |
|--------------------------------|---------|-----------|
| Advertising | 178,987 | 121,168 |
| AGM Expense | 204,979 | 186,361 |
| Audit Fees | 50,000 | 3,625 |
| Bad Debt Expenses | 975,031 | 2,686,203 |
| Building Repairs/Maintenance | 81,712 | 211,136 |
| Christmas Dinner | 55,099 | 56,478 |
| Cleaning & Janitorial Expenses | 41,538 | 60,750 |
| Consultant Fees | 14,881 | 3,500 |
| Donation | 62,898 | 36,065 |
| Electricity | 108,281 | 109,984 |
| Fumigation/Pest Control | 27,099 | 26,603 |
| Groceries & Toiletries | 52,086 | 44,798 |
| Hiking Association | 9,000 | - |
| Insurance – Fidelity | 3,207 | 3,207 |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

| | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|
| <u>Administrative and Other - Continued</u> | | |
| Insurance – Money | 10,920 | 13,420 |
| Insurance – Public Liability | 1,537 | 1,537 |
| Insurance on Building | 28,621 | 36,094 |
| Legal Fees | 46,785 | 44,552 |
| League Dues | 48,516 | 49,594 |
| MTS Contract | 499,905 | 500,831 |
| MTS Contract – GYM | 147,825 | 148,099 |
| Office Expense | 203,363 | 203,649 |
| Other | 9,935 | 7,975 |
| Other Repairs & Maintenance | 229,912 | 223,247 |
| Postage | 71,554 | 52,114 |
| Printing & Stationery | 75,734 | 104,913 |
| Professional Fees | 53,113 | 9,456 |
| Real Estate Taxes | 172 | - |
| Security | 114,801 | 108,028 |
| Stipend | 2,650 | - |
| Telephone | 168,423 | 192,353 |
| Transportation | 14,569 | 12,914 |
| Water Rates | <u>2,822</u> | <u>5,398</u> |
| | <u>\$3,595,955</u> | <u>\$5,264,052</u> |
| | | |
| b) <u>Officers</u> | <u>2017</u> | <u>2016</u> |
| Credit Committee Allowances | 18,660 | 20,590 |
| Honorarium | 340,400 | 326,909 |
| Other | 36,650 | 82,300 |
| Refreshments | 43,502 | 42,529 |
| Supervisory Committee | 2,650 | 975 |
| Group Life Insurance | 23,097 | 1,941 |
| Travelling | <u>38,869</u> | <u>31,969</u> |
| | <u>503,828</u> | <u>507,213</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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continued.....

| c) <u>Employee Costs</u> | <u>2017</u> | <u>2016</u> |
|--|---------------------------|---------------------------|
| Acting | 54,817 | 22,973 |
| Back pay | 601,157 | 1,187,184 |
| Bonus & Incentives – GYM | 4,800 | 3,800 |
| Bonus & Incentives | 42,300 | 43,700 |
| COLA | 423,806 | 520,513 |
| Employee Computer Subsidy | 1,539 | 1,650 |
| Employee Group Life Insurance | - | 15,876 |
| Employee Medical Expenses | - | 460 |
| Employee Mortgage Subsidy | 3,489 | 3,489 |
| Employee Vehicle Subsidy | 5,060 | 5,807 |
| Group Health Plan | 8,380 | 7,799 |
| National Insurance – GYM | 27,545 | 22,682 |
| National Insurance | 336,247 | 278,999 |
| Overtime | 143,996 | 142,186 |
| Pension Plan | 196,853 | 298,050 |
| Salaries & Wages – GYM | 293,909 | 247,648 |
| Salaries & Wages | 3,322,671 | 2,542,902 |
| Savings Plan | 23,621 | 21,597 |
| Severance Benefits | - | 15,915 |
| Subsistence | 450 | 3,800 |
| Training & Development | 81,154 | 185,872 |
| Travelling Allowance | 45,073 | 46,948 |
| Uniforms | 59,617 | 1,704 |
| Workmen’s Compensation | <u>2,668</u> | <u>4,111</u> |
| | <u>\$5,679,152</u> | <u>\$5,625,665</u> |
| | | |
| d) <u>Interest and Bank Charges</u> | <u>2017</u> | <u>2016</u> |
| Interest & Bank Charges | 29,718 | 26,664 |
| Interest - Employee Savings Plan | 13,586 | 11,525 |
| Interest - Thrift Investment Account | 51 | 177 |
| Special Deposit | <u>395,536</u> | <u>465,547</u> |
| | <u>\$438,891</u> | <u>\$503,913</u> |

16. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Society has not applied the following standard which became effective, as it does not apply to the activities of the Society:

- IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets)

The Society has applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

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- IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans (effective for accounting periods beginning on or after 1 January 2013).
- IFRS 9 Financial Instruments: Classification and Measurement (effective for accounting periods beginning on or after 1 January 2016).
- IFRS 10 Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2013).
- IFRS 11 Joint Arrangements Statements (effective for accounting periods beginning on or after 1 January 2013).
- IFRS 12 Disclosure of Interest in Other Entities Statements (effective for accounting periods beginning on or after 1 January 2013)
- IFRS 13 Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013)
- IAS 1 Presentation of Financial Statements – Amendments to revise the way other comprehensive income is presented (effective for accounting periods beginning on or after 1 July 2012)
- IAS 19 Employee Benefits – Amended standard resulting from Post-Employment Benefits and Termination Benefits projects (effective for accounting periods beginning on or after 1 January 2013)
- IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013)
- IAS 28 Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013)
- IAS 32 Financial Instruments; Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2016)
- IFRIC 2 Members Shares in Co-operative Entities and similar Instruments – The Credit Union did not adopt.

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

17. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market prices.

Balances and transactions with related parties and key management personnel during the year were as follows:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------------|-------------------------|
| <u>Assets</u> | | |
| Loans to directors and key management persons and related persons | <u>\$1,898,812</u> | <u>\$1,822,025</u> |
| <u>Deposits and other liabilities</u> | | |
| Deposits held by directors and key management and related parties | <u>\$257,406</u> | <u>\$386,684</u> |
| <u>Shares</u> | | |
| Shares held by directors and key management and related parties | <u>\$7,475,764</u> | <u>\$7,069,590</u> |
| <u>Income</u> | | |
| Directors and key management personnel and related parties | <u>\$398,360</u> | <u>\$360,274</u> |
| <u>Interest/dividends and other expenses</u> | | |
| Dividends – Directors and key management personnel and related parties | <u>\$467,819</u> | <u>\$239,064</u> |
| Key management compensation | <u>\$198,000</u> | <u>\$198,000</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2017

continued.....

18. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow and interest rate risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

(a) Market Risk

The company monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure, the appropriate instrument is used.

(b) Credit Risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The company has a significant concentration of credit risk. However, the company has policies in place to ensure that services rendered are made to customers with an appropriate credit history. The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance from counterparties.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the company aims at maintaining flexibility in funding by keeping committed credit lines available.

(d) Cash flow and Fair Value Interest Rate Risk

As the company have no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market rates.

(e) Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED
31ST DECEMBER, 2017

RECEIPTS

| | |
|---|------------|
| Personal Loans | 21,558,269 |
| Mortgage Loans | 1,824,547 |
| Special Computer Loans | 55,309 |
| Insurance Payments | 17,202 |
| Vehicle Loan (MBOS) | 3,062,489 |
| I.O.C | 555,293 |
| AIC Fin Grp Class 0.05 Preference Share | 96,984 |
| AIC Fin GRP Class D 0.065 Pref Share | 49,927 |
| Jamaica Money Broker | 10,000,000 |
| First Citizen Shares | 10,000,000 |
| Accrued Interest Receivable | 70,755 |
| Sundries – Debtors | 963,284 |
| Due from TECU | 15,930 |
| Due from PLIPDECO | 26,400 |
| Due from Group TT Post | 59,264 |
| Due from Petrotrin | 19,688,918 |
| Due from Min of Health – NIHA | 307,386 |
| Due from Trinmar Limited | 198,902 |
| Payroll Receivables | 13,205,229 |
| Ordinary Deposit Account | 8,821,334 |
| Thrift Investment Account | 86,715 |
| Holding Deposit Account | 565,961 |
| FIP Deposit | 1,895,806 |
| Payment Protector | 2,659 |
| Sagicor Medical Deposit | 94,453 |
| Suspense-Other | 492,414 |
| Bank Remittance | 140 |
| Unpresented Cheques | 5,039,729 |
| Returned Cheques | 314,474 |
| FIP Payable | 1,822 |
| DIB Payable | 6,345 |
| Other Special Holding | 101,277 |
| Shares | 53,504,265 |
| Entrance Fee | 664 |
| Investment Revaluation Reserve | 391,648 |
| Interest on loans | 9,459,798 |
| Interest on Fund Loans | 898,945 |
| Interest on Computer | 5,580 |
| Interest On Loans | 1,056 |
| Interest on Deposit (Vehicle) | 1,107,550 |
| Interest on Instrument of Charge | 490,886 |
| Savings Account Interest | 22,237 |
| Fixed Deposit Interest | 5,538,599 |
| Dividends on Bond – Inve | 1,502,925 |
| Gain/(Loss) on Exchange | 853 |
| Overage/Shortage | 1,310 |

PAYMENTS

| | |
|-------------------------------|------------|
| Personal Loans | 48,566,295 |
| Mortgage loans | 1,206,027 |
| Special Computer Loans | 574,148 |
| Insurance Payments | 90,286 |
| Vehicle Loan (MBOS) | 2,126,104 |
| I.O.C | 467,052 |
| General International Limit | 10,000 |
| USD Life | 27,354 |
| Jamaica Money Broker | 10,000,000 |
| Sheppards Securities Invest | 10,171,500 |
| First Citizens Shares | 10,000,000 |
| BOARD Room and Centre | 427,045 |
| Land – Building in Tobago | 8,000 |
| Office Furniture Equipment | 4,254 |
| Computer Hardware/Software | 101,651 |
| Prepaid Expenses | 92,839 |
| Sundries – Debtors | 1,050,608 |
| Ordinary Deposit Account | 11,143,893 |
| Thrift Investment Account | 120,069 |
| Holding Deposit Account | 452,276 |
| FIP Deposit | 30,404 |
| Employees TIA | 21,400 |
| Interest on Special DEP Paid | 24,565 |
| Members’ Special Deposit | 17,747 |
| Suspense/Other | 12,538 |
| NIS Payable | 167,920 |
| Employees Medical Plan | 8,380 |
| Provision for Severance | 64,868 |
| PAYE | 690,818 |
| Health Surcharge | 16,269 |
| Salary Clearing | 1,065,227 |
| Employees Pension Plan | 95,038 |
| Accounts Payable – Union Dues | 6,474 |
| Credit Union Payments | 1,042,377 |
| Insurance Payments | 1,453 |
| Bank Remittance | 285,245 |
| NIS PAYABLE – GYM | 13,772 |
| Health Surcharge – GYM | 3,110 |
| Sundry Creditors | 8,850 |
| A/C – Deceased Members | 835,142 |
| Unpresented Cheques | 4,426,000 |
| Accrued Expenses | 231,843 |
| Returned Cheques | 367,923 |
| Sag Payable | 110,936 |
| FIP Payable | 2,244,211 |
| DIB Payable | 13,280 |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED
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Continued.....

RECEIPTS

| | |
|--------------------------------|---------|
| Rent Income | 4,000 |
| Rule Book and Pass Book | 656 |
| Sundries – Receipts | 495,327 |
| Nomination Fees | 654 |
| Commission – FIP | 247,197 |
| Registration Fee | 14,727 |
| Membership Fee | 153,748 |
| Sales – Towel Water Sports DRI | 13,830 |

PAYMENTS

| | |
|-----------------------------|------------|
| Other Special Holding | 553,644 |
| Accrued Expense-GYM | 33,151 |
| Shares | 31,690,516 |
| Entrance Fee | 2 |
| Investment Revaluation Rese | 1,106,210 |
| Interest on Loans | 300 |
| Fixed Deposit Interest | 3 |
| Dividends on Investment | 2,950 |
| Gain/Loss on Exchange | 10,840 |
| Overage /Shortage | 5,368 |
| Rent income | 3,000 |
| Rule Book and Passbook | 2 |
| Sundries Receipts | 1,520 |
| Nomination Fees | 2 |
| Workmen Compensation | 2,668 |
| Uniforms | 59,617 |
| Training & Development | 81,154 |
| Pension Plan | 187,263 |
| Group Health Plan | 8,380 |
| National Insurance | 312,104 |
| National Insurance Gym | 25,849 |
| Bank Charges | 29,718 |
| Prior Year Adjustment | 297 |
| Advertising | 178,076 |
| AGM Expenses | 170,389 |
| Christmas Dinner | 48,849 |
| Cleaning and Service | 5,538 |
| Credit union Expenses | 79,828 |
| Real Estate Taxes | 172 |
| Donation | 61,398 |
| Groceries and Toiletries | 41,425 |
| Other Repairs & Maintenance | 21,724 |
| Telephone | 10,784 |
| Audit Fees | 44,438 |
| Legal Fees | 46,785 |
| Consultant Fees | 5,600 |
| Stipend | 2,650 |
| Professional Fees | 53,113 |
| MTS Contract | 458,246 |
| MTS Contract – GYM | 135,506 |
| Credit Committee Allow | 18,660 |
| Supervisory Committee | 2,650 |
| Honorarium | 61,500 |
| Refreshments | 22,436 |
| Travelling | 37,504 |
| Officers Group Insurance | 23,097 |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED
31ST DECEMBER, 2017

Continued.....

RECEIPTS

PAYMENTS

| | | |
|--|-----------------------------|--------------------|
| | Insurance on Building & COM | 28,269 |
| | Fumigation/Pest Control | 13,358 |
| | Electricity | 71,040 |
| | Water Rates | 2,371 |
| | Building Rep & Maintenance | 64,300 |
| | Hiking Association Expense | 9,000 |
| | Security Services | 103,461 |
| | Fumigation/Pest Control | 12,297 |
| | Electricity – GYM | 34,207 |
| | Building Rep/Maintenance | 15,300 |
| | Consultant Fees | 9,281 |
| | Electricity | 3,034 |
| | Water Rates | 452 |
| | Building Rep/Maintenance | 512 |
| | Premises Maintenance | <u>19,151</u> |
| | | |
| | _____ - | |
| | <u>173,035,671</u> | <u>145,850,286</u> |

PALO SECO CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
RECEIPTS AND PAYMENTS ACCOUNT
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Continued.....

OPENING BALANCES

| | |
|---|--------------------|
| Cash in Transit | 753,093 |
| Cash in Hand | 15,228 |
| Cash in Hand – GYM | 18,091 |
| Cash in Transit – GYM | 3,643 |
| Republic Bank | 33,960,258 |
| Royal Bank | 89 |
| RBTT Current Account | 1,138,986 |
| FCB Current Account – GYM | 197,700 |
| First Citizens Bank | 5,166,965 |
| Royal US Plus | 556,975 |
| Fixed Deposit – First Nat. C. Union | 1,000,000 |
| Saving Invest – us Investment Inc. Fund | 510,647 |
| Saving Invest – Structured Fund | 8,911,995 |
| AIC TT – Income Fund – Class A (AM 2A) | 90,659 |
| AIC Finance Ltd \$TT | 63,472,700 |
| AIC FIN GRP Guaranteed Note 3 yrs | 3,000,000 |
| AIC Financial Group - \$TT T. Note | 3,000,000 |
| AIC Finance Ltd – USD MCWTP - # 1-7 | 2,358,102 |
| KSBM – GOV'T Barbados – FRB-USD | - |
| First Line Securities Ltd | 7,725,608 |
| JMMB Investments | 5,000,030 |
| | - |
| | <u>136,880,769</u> |

CLOSING BALANCES

| | |
|---|--------------------|
| Cash in Transit | 279,355 |
| Cash in Hand | 44,963 |
| Cash in Hand – GYM | 19,016 |
| Cash in Transit – GYM | 7,338 |
| Republic Bank | 8,607,576 |
| Royal Bank | 89 |
| RBTT Current Account | 1,832,653 |
| FCB Current Account - GYM | 75,528 |
| First Citizens Bank | 1,272,172 |
| Royal US Plus | 153,336 |
| Fixed Deposit – First Nat. C. U | 1,000,000 |
| Saving Inv – us Inv. Inc. Fund | 510,647 |
| Saving Inv – Structured Fund | 17,398,236 |
| AIC TT – Income Fund – Class A (AM 2A) | 90,659 |
| AIC Finance Ltd \$TT | 78,579,625 |
| AIC FIN GRP Guar Note 3 yrs | 3,000,000 |
| AIC Financial Group - \$TT T. Note | - |
| AIC Fin Ltd – USD MCWTP - # 1-7 | 2,358,102 |
| KSBM – Gov't Barbados – USD | - |
| First Line Securities Ltd | 32,240,646 |
| JMMB Investments | 10,501,678 |
| Bourse Securities Investment | <u>6,094,535</u> |
| | <u>164,066,154</u> |

RECEIPTS AND PAYMENTS SUMMARY

| | |
|------------------|----------------------|
| Opening Balances | 136,880,769 |
| Receipts | 173,035,671 |
| Payments | <u>(145,850,286)</u> |
| CLOSING BALANCE | <u>164,066,154</u> |