



Chartered Certified Accountants

**ST. VINCENT AND THE GRENADINES
TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

CONTENTS

	Page
Corporate Information	1
Independent Auditors' Report	2-6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-32

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
CORPORATE INFORMATION

REGISTERED OFFICE

St. James Place
P.O. Box 1527
Kingstown
St. Vincent and the Grenadines

BOARD OF DIRECTORS

Mrs. Kay Martin-Jack	- President
Mr. Curtis M King	- Vice President
Mrs. Gwendolyn Burgin	- Secretary
Mr. Jimmy Wilson	- Treasurer
Mrs. Delia Ollivierre	- Assistant Secretary/ Treasurer
Mr. Brenford Findlay	- Director
Mr. Jimmie Forde	- Director

CHIEF EXECUTIVE OFFICER

Mr. Julian Jack

SOLICITORS

Mr. Ronald R.C Jack
Mr. Cecil B. Williams

FINANCIAL INSTITUTIONS

Bank of St. Vincent and the Grenadines
RBTT Bank Caribbean Limited
CIBC First Caribbean International Bank (Barbados) Limited

AUDITORS

KDLT
Chartered Certified Accountants
(A member firm of Allinial Global)

Offices:
Kingstown Park
St. Vincent

Old Fort Building
Grand Bay
Dominica



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INDEPENDENT AUDITORS' REPORT

To: Shareholders of
St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited, which comprise the statement of financial position as of December 31, 2016 and the related statements of comprehensive income, changes in equity, and cash flows for the year then ended December 31, 2016, and notes, comprising significant policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the credit union as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Emphasis of Matter

As at December 31, 2016, an indeterminable amount of shares were used by the Credit Union as collateral for loans, thus giving them redemptive features, as such they should be classified as liabilities (members deposits) in the statement of financial position. As of December 31, 2016 we were unable to determine the effects on interest expense, dividend declared, deficit for the year and unappropriated surplus, had these shares been classified as members deposits.

The Auditor's Responsibilities Relating to Other Information

Management is responsible for the other information. The other information comprises the information in the credit union annual report for the year ended December 31, 2016, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.



Partners: Verna Samuel (Non-resident) · Kirk Da Silva



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Independent Auditors' Report (Cont'd)

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

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view 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 wither intends to liquidate the credit union cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the credit unions' financial reporting process.

Auditors' Responsibilities for the Audit of 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of Financial Statements (Cont'd)

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description which is located on pages 5 and 6 forms part of our auditors' report.

A handwritten signature in black ink that reads "kdlt" in a cursive, lowercase font.

KDLT
Chartered Certified Accountants
(A member firm of Allinial Global)
Kingstown Park
St. Vincent and the Grenadines

April 12, 2017



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INDEPENDENT AUDITORS' REPORT

To: Shareholders of
St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited

Appendix to the Independent Auditors' report

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 unions.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.



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INDEPENDENT AUDITORS' REPORT (Cont'd)

- 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 internal control that we identify during our audit.

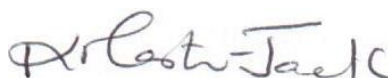
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Financial Position
As at December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	Notes	2016 \$	2015 \$
Assets			
Cash and cash equivalents	4	20,564,606	16,760,500
Investment securities	5	5,468,029	6,806,826
Loans to members	6	62,577,603	58,575,239
Property and equipment	9	10,402,956	10,599,370
Investment properties	10	12,217,225	12,362,243
Other assets	11	2,673,806	2,096,594
Total Assets		113,904,225	107,200,772
Liabilities			
Other payables	12	1,753,385	1,365,453
Supplemental benefit plan	13	128,718	155,500
Fixed deposits	14	22,949,297	24,211,194
Ordinary savings	15	60,629,379	52,156,634
Borrowings	16	3,390,947	3,607,369
Total Liabilities		88,851,726	81,496,150
Members' Equity			
Share capital	17	12,866,555	11,781,670
General reserve	18	4,949,441	4,945,726
Other reserves	19	1,266,591	1,285,360
Revaluation reserve	20	5,292,531	5,292,531
Unrealised gain on investment		37,801	37,801
Accumulated unappropriated surplus		639,580	2,361,534
Total Members' Equity		25,052,500	25,704,622
Total Liabilities and Members' Equity		113,904,225	107,200,772

The accompanying notes on pages 11 to 32 form an integral part of these financial statements.

Signed on behalf of the Board of Directors:


.....President
Mrs. Kay Martin-Jack


.....Treasurer
Mr. Jimmy Wilson

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Comprehensive Income
For the year ended December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	Notes	2016 \$	2015 \$
Interest income	21	5,979,171	5,727,482
Interest on members' deposits	22	(2,681,230)	(2,173,938)
Net Interest Income		3,297,941	3,553,544
Fees and commission	23	365,964	208,278
Rental Income		413,694	487,423
Gain on death benefit		13,315	55,989
Gain on sale of land		47,892	157,790
Supplies outlet (net income)	28	341,659	173,146
Bad debts recovered		18,365	0
Bad debts written off		(122,258)	(100,755)
Impairment losses on investment securities	24	(1,323,882)	0
Administrative and general expenses		(3,899,969)	(3,007,412)
Surplus /(Deficit) for the year		(847,279)	1,528,003

The following expense is included in the foregoing:-

Depreciation	285,630	284,432
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The accompanying notes on pages 11 to 32 form an integral part of these financial statements.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Changes in Equity
For the year ended December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	Members' Shares	General Reserve Fund	Other Reserves	Revaluation Reserve	Unrealised Gain on Investment	Accumulated Unappropriated Surplus	Total
	\$	\$	\$	\$		\$	\$
Balance as of December 31, 2014	10,493,528	4,636,780	1,320,055	5,292,531	37,801	1,747,753	23,528,449
Earnings for the year	0	0	0	0	0	1,528,003	1,528,003
Increase in members shares	1,288,142	0	0	0	0	0	1,288,142
Appropriation to reserve	0	305,601	0	0	0	(305,601)	0
Entrance fees	0	3,345	0	0	0	0	3,345
Transfer to other reserves	0	0	120,805	0	0	(6220)	114,585
Transfer from other reserves to pension	0	0	(155,500)	0	0	0	(155,500)
Dividend paid	0	0	0	0	0	(467,133)	(467,133)
Rebate paid	0	0	0	0	0	(135,269)	(135,269)
Balance as of December 31, 2015	11,781,670	4,945,726	1,285,360	5,292,531	37,801	2,361,534	25,704,622
Deficit for the year	0	0	0	0	0	(847,279)	(847,279)
Increase in members shares	1,084,885	0	0	0	0	0	1,084,885
Appropriation to reserve	0	0	0	0	0	0	0
Entrance fees	0	3,715	0	0	0	0	3,715
Transfer to other reserves	0	0	109,950	0	0	0	109,950
Transfer from other reserves to pension	0	0	(128,718)	0	0	0	(128,718)
Dividend paid	0	0	0	0	0	(649,427)	(649,427)
Rebate paid	0	0	0	0	0	(225,251)	(225,251)
Balance as of December 31, 2016	12,866,555	4,949,441	1,266,591	5,292,531	37,801	639,580	25,052,500

The accompanying notes on pages 11 to 32 form an integral part of these financial statements.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Statement of Cash Flows
For the Year Ended December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	2016 \$	2015 \$
Cash Flows from Operating Activities		
Surplus/(deficit) for the year	(847,279)	1,528,003
Adjustments for		
Depreciation	285,630	284,432
Gain on sale of investment property	(47,892)	(157,790)
Operating Profit before Changes in Operating Assets and Liabilities	(609,540)	1,654,645
Decrease (Increase) in Operating Assets		
Increase in loans to members	(4,002,363)	(4,044,671)
Decrease (Increase) in other operating assets	(577,212)	(931,559)
Increase in Operating Liabilities		
Increase in deposits	6,974,228	5,239,487
Decrease in accounts payable and accrued liabilities	543,431	727,338
Net Cash Generated from Operating Activities	2,328,544	2,645,240
Investing Activities		
Additions to property plant and equipment	(89,216)	(250,402)
Decrease (Increase) in investments securities	1,338,797	(591,775)
(Additions)/Disposal to investments properties	145,018	642,208
Proceeds from disposal of investment properties	193,410	0
Net Cash Used in Investing activities	1,588,009	(199,969)
Financing Activities		
Increase/(Decrease) in borrowings	(216,421)	(506,573)
Increase in share capital	1,084,885	1,906,114
Entrance fees	3,715	3,345
Appropriations to other reserve	(109,949)	(114,584)
Dividends paid	(649,427)	(467,133)
Rebates paid	(225,251)	(135,269)
Cash generated from financing activities	(112,448)	685,900
Increase in cash and cash resources	3,804,106	3,131,171
Cash and cash resources - beginning of year	16,760,500	13,629,329
Cash and cash resources - end of year	20,564,606	16,760,500
Cash resources are represented by:		
Cash and cash resources (Note 4)	20,564,606	16,760,500

The accompanying notes on pages 11 to 32 form an integral part of these financial statements.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1: Legal Status and Governing Legislation

The St. Vincent Union of Teachers Co-operative Credit Union Limited was registered on May 24, 1978. The Credit Union name was subsequently changed to St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited. The activities of the credit union are governed by the provision of the Co-operative Societies Act, 2012.

The Credit Union's financial reporting and regulatory matters are under the authority of the Financial Services Authority (FSA).

Note 2: Principal Objectives

The principal objectives of the St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited are to promote thrift among its members, to receive the savings of its members and make loans to its members exclusively for provident and productive purposes.

Note 3: Summary of Significant Accounting Policies

a. Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

b. Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investment securities and property and equipment.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The following are the significant accounting policies adopted by the Credit Union:

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

c. New Standards, Interpretations and Amendments not yet adopted

Standards, interpretations and amendments to existing standards effective for the current year:

St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited has consistently applied the accounting policies set out in note 3 to all periods presented in these financial statements. During the year, certain new standards, interpretations and amendments to the existing standards became effective. Management has assessed that these new standards, interpretations and amendments to the existing standards where relevant, did not have any significant impact on the preparation of these financial statements. The application of these pronouncements has therefore not been reflected in these financial statements.

i) Standards in issue but not yet effective

New standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited are as follows:

- IAS 1 (Amendments) – Disclosure initiative (effective January 1, 2016)
- IAS 16 and IAS 38 (Amendments) – Clarification of Acceptable Methods of Depreciation and Amortisation (effective January 1, 2016)
- IAS 16 and IAS 41 (Amendments) – Agriculture: Bearer Plants (effective January 1, 2016)
- IAS 7 (Amendments) – Disclosure initiative (effective January 1, 2017)
- IAS 27 (Amendments) – Equity Method in Separate Financial Statements (effective January 1, 2016)

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

c. New Standards, Interpretations and Amendments not yet adopted (cont'd)

i) Standards in issue but not yet effective (cont'd)

- IAS 12 (Amendments) – Recognition of deferred Tax Asset for unrealised losses (effective January 1, 2016)
- IFRS 10 and IAS 28 (Amendments) – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (effective January 1, 2016)
- IFRS 10, IFRS 12 and IAS 28 (Amendments) – Investment Entities: Applying the Consolidation Exception (effective January 1, 2016)
- IFRS 11 (Amendments) – Accounting for Acquisition of Interests in Joint Operations (effective January 1, 2016)
- Annual improvements to IFRS 2012 – 2014 Cycle – Various Standards (effective January 1, 2018)
- IFRS 15 – Revenue from Contracts with Customers (effective January 1, 2018)
- IFRS 16 - Leases (effective January 1, 2016)

None of these are expected to have a significant effect on the financial statements of St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited in the period of adoption, except for IFRS 9 Financial Investments, which tentatively becomes mandatory for St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited' 2019 financial statements, and is expected to impact the classification and measurement of financial assets and financial liabilities. A description of the standard is provided below.

ii) IFRS 9 – Financial Instruments

In July 2014, the IASB released the final version of IFRS 9 Financial Instruments. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models for debt instruments in IAS 39, Financial Instruments Recognition and Measurement, with a new mixed measurement model having only two categories: amortised cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity at fair value through comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

c. New Standards, Interpretations and Amendments not yet adopted (cont'd)

ii) IFRS 9 – Financial Instruments (Cont'd)

are recognised in profit or loss in so far as they do not clearly represent a return on investment; however, other gain and losses (including) impairment associated with such instruments remain in accumulated comprehensive income indefinitely.

d. Property and Equipment

Property and Equipment are stated at historical cost or revalued amount less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on the straight-line method at rates estimated to write down the cost or valuation of such assets to their residual values over their estimated useful lives at the following annual rates:

Buildings	2 %
Furniture and Office Equipment	10% - 20%
Computer Systems	20%

Land is not depreciated.

Property and equipment are periodically reviewed for impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on the disposal of property and equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit. Repairs and renewals are charged to the statement of income during the financial period in which the expenditure is incurred.

e. Other Payables

Other payables are stated at their nominal values.

f. Investment Properties

Investment properties are accounted for by the fair value model. Accordingly, gains or losses arising from changes in the fair value of investment properties are included in operations.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

g. Foreign Currencies

Assets and Liabilities denominated in foreign currencies are translated into Eastern Caribbean Currency at the rates of exchange prevailing at the statement of financial position date. Transactions arising during the year involving foreign currencies are converted at the rates of exchange prevailing on the dates the transactions occur. Exchange gains or losses arising on settlement or conversion of foreign currency denominated balances are included in operations for the year.

h. Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis. In determining net realisable value, due allowance is made for the cost of realization, slow moving and obsolete inventories.

i. Impairment losses on loans

The Credit Union reviews its Loan Portfolio to assess impairment at least annually. In determining whether an impairment loss should be recorded in the statement of comprehensive income, The Credit union makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in the portfolio.

Impairment of assets carried at fair value

The Credit Union determines that available- for - sale and held for trading equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement the credit Union evaluates other factors the normal volatility in share price. In addition, Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

j. Investment Securities

Investment Securities in which the Credit Union does not exercise significant influence are accounted for by the cost method. Any impairment to the carrying value, where the decline of an investment is other than temporary, is charged against operations. Investment Securities in which the Credit Union exercises significant influence are accounted for by the equity method.

k. Financial Instruments

The Credit Union recognises a financial asset or financial liability on its statement of financial position using the settlement date method. Accordingly, a financial asset or a financial liability is recognised on the date of receipt or delivery to or by the Credit Union. Any gains or losses arising from price, interest rate, or currency changes between the trade dates, the date the Credit Union commits to the purchase or sale of an asset and the statement of financial position date are recovered in current operations.

The Credit Union's financial instruments are carried at fair value. In cases where there are readily available trading markets, for financial instruments, their fair value is estimated using Net Present Value (NPV) or other valuation techniques, which are subject to assumptions concerning the amounts and timing of estimated future cash flows and discount rates.

l. Pension Expense

Pension contributions attributable to services rendered, during the period, by employees are expensed in the same period. Pension contributions attributable to past services rendered by employees are systematically expensed on a straight line basis over the average period until the benefits become vested.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

m. Investment Securities

Investment securities are classified as either held-for-trading, or held-to-maturity, or available-for-sale, based on management's intention with respect thereto.

(i) Securities held-for-trading

Securities held for trading are securities which are either acquired for generating a profit from short-term fluctuations in price or are securities included in a portfolio in which a pattern of short-term profit taking exists. Securities held for trading are initially recognised at cost and subsequently re-measured at fair value based on quoted market prices where available or discounted cash flow models. All related gains and losses realised and un-realised on trading securities are reported in net investment trading income.

Interest earned whilst trading securities is reported as interest income. All purchases and sales of trading securities that require delivery within the time frame established by regulation or market convention are recognised at settlement date.

(ii) Securities held-to-maturity and available-for-sale

The Credit Union classifies its other investment securities into the following two categories: held-to-maturity and available-for-sale. Investment securities with fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Note 3: Summary of Significant Accounting Policies (Cont'd)

m. Investment Securities (cont'd)

(ii) Securities held-to-maturity and available-for-sale (cont'd)

Investment securities intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, exchange rates or equity prices are classified as available-for-sale. Management determines the appropriate classification of its investments at the time of the purchase. Investment securities are initially recognised at cost (which includes transaction cost). Available-for-sale financial assets are subsequently re-measured at fair value based on quoted bid prices or amounts derived from discounted cash flow models. Fair values for unquoted equity instrument are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer.

Unrealised gains and losses from changes in the fair value of securities classified as available-for-sale are recognised in equity. When securities are disposed of the related accumulated fair value adjustments are included in net investment trading income. When securities become impaired the related accumulated fair value adjustments previously recognised in equity are included in the profit and loss account as impairment expense on investment securities.

n. Financial Risk Management

The Credit Union's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Credit Union's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Credit Union's performance. The most important types of risk are credit risk, market risk and operational risk. Material risk includes currency risk and interest rate risk.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Currency)

Note 4: Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition including: cash on hand, deposits with banks, non-bank financial institutions and treasury bills.

	2016	2015
	\$	\$
Cash on hand	<u>184,346</u>	131,011
Current accounts	12,037,777	9,182,702
Deposits and special savings	6,860,926	6,264,950
Treasury bills	<u>1,481,557</u>	1,181,837
	<u><u>20,564,606</u></u>	16,760,500

Treasury bills are debt securities issued by the Governments of Antigua & Barbuda and Grenada. The weighted average effective interest rate on treasury bills at December 31, 2016 was 6% (2015: 6%).

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Currency)

Note 5: Investment Securities

	2016	2015
	\$	\$
Held-to-Maturity investment securities and deposits		
Bonds		
St. Kitts & Nevis Government Fixed rate 10 year Bonds with interest payable on February 1st and August 31, 2017	101,946	108,216
Repurchase agreement with First Citizens Investment Services, Interest rate 2.5% maturity date December 15, 2017	403,906	394,055
Repurchase agreement with First Citizens Investment Services, Interest rate 3% maturity date June 23, 2017	300,000	0
Repurchase agreement with First Citizens Investment Services, Interest rate 2.5% maturity date December 31, 2017	151,095	147,420
Government of St. Lucia Government 10 year Fixed rate Bonds interest rate 7.4%, maturity date December 31, 2017	0	400,000
Government of St. Vincent and the Grenadines 10 year Fixed Rate Bonds, interest rate 7.5% ,matured August 18, 2016	0	40,000
Government of St. Vincent and the Grenadines 3 year Fixed Rate Bonds, interest rate 5.25% maturity date July 24, 2017	250,000	250,000
Government of St. Vincent and the Grenadines 3 year Fixed Rate Bonds, interest rate 5.25% matured July 24, 2017	400,000	400,000
Government St. Vincent and the Grenadines 7 year Bonds, interest rate 8% matured March 12, 2016	0	50,286
	1,606,947	1,789,977
Fixed Deposits		
Credit Union Central Finance Facility, 2% Certificate of Deposit Maturity date December 31, 2017	187,794	184,112
Credit Union League Term Deposit , interest rate 3% maturity date July 25, 2017	245,507	238,357
Credit Union League Term Deposit , interest rate 3% maturity date July 25, 2017	84,354	81,897
Credit Union League Term Deposit , interest rate 4%, maturity date December 31, 2017	291,200	280,000
Credit Union League Term Deposit , interest rate 3%, maturity date October 12, 2017	43,828	42,552
Credit Union League Term Deposit , interest rate 2%, maturity date December 31, 2017	40,172	39,384
Bank of St. Vincent and the Grenadines fixed deposit, 1.5% interest rate, maturity date August 26, 2017	19,262	19,047
Bank of St. Vincent and the Grenadines fixed deposit, 2% interest rate, maturity date February 7,2017	17,852	17,332
Bank of St. Vincent and the Grenadines fixed deposit, 2% interest rate, maturity date February 7,2017	17,852	17,332
Bank of St. Vincent and the Grenadines fixed deposit, 2.25% interest rate, maturity date April 17,2017	1,071,219	1,037,500
SVG Small Business - fixed deposit	100,000	0
SVG Small and Micro Finance Co-operative Ltd fixed deposit	156,750	156,750
SVG Small and Micro Finance Co-operative Ltd fixed deposit	350,000	350,000
Kingstown Co-operative Credit Union fixed deposit, 4.5% interest rate, maturity date September 30, 2017	100,000	100,000

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2016

(Expressed in Eastern Caribbean Currency)

Note 5: Investment Securities (Cont'd)

	2016	2015
	\$	\$
Government Employees Co-operative Credit Union fixed deposit, interest rate 4%, maturity date, November 16, 2017	231,768	233,737
St. Vincent Building and Loan Association, special deposit interest rate 3.5% maturity date November 9, 2017	550,000	550,000
Kingstown Co-operative Credit Union Fixed deposit, stabilization fund	179,655	171,100
CIICO special deposit, interest rate 3.75%	215,696	215,696
CIICO special deposit, interest rate 3.75%	253,109	253,109
	4,156,018	3,987,905
Provision for Impairment on fixed deposits	(1,075,555)	(468,805)
	3,080,463	3,519,100
Available-for-sale investment securities		
East Caribbean Home Mortgage Bank 2136 Class E shares at cost	348,198	348,198
First Caribbean International Bank (Barbados) Ltd 10,000 common shares carried at cost	28,400	28,400
St. Vincent Co-operative Credit Union League shares	159,899	159,899
East Caribbean Home Mortgage Bank 2136 Class D shares at cost	33,200	33,200
East Caribbean Stock Exchange 2500 ordinary shares carried at cost	25,000	25,000
East Caribbean Co-operative Central Limited 15,000 ordinary shares carried at cost	15,000	15,000
East Caribbean Home Mortgage Bank shares at cost	160,000	160,000
SVG Small Business and Micro Finance Co-operative Ltd shares	702,132	702,132
Bank of St. Vincent and the Grenadines shares at cost	25,920	25,920
British American Insurance Company, 7.5% flexible premium annuity	370,956	370,956
	1,868,705	1,868,705
Provision for Impairment on shares	(1,088,088)	(370,956)
	780,617	1,497,749
	5,468,029	6,806,826

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 6: Loans to Members

	2016	2015
	\$	\$
Personal	<u>16,381,445</u>	13,969,951
Mortgage	<u>42,745,315</u>	40,386,506
Student	<u>3,829,530</u>	4,391,035
Business	<u>802,513</u>	1,010,845
Gross	<u>63,758,803</u>	59,758,337
Allowance for loan losses	<u>(1,181,201)</u>	(1,183,098)
	<u><u>62,577,603</u></u>	<u>58,575,239</u>

Included in loans to members and borrowed funds (note 15) are \$3,390,948 (2015:\$3,607,369) of mortgage loans held by the Eastern Caribbean Home Mortgage Bank.

Note 7: Loans to Members - Impairment Analysis

	2016	Restated 2015
	\$	\$
Neither past due nor impaired	<u>60,886,855</u>	56,950,408
Past due but not impaired	<u>7,100</u>	49,996
Impaired	<u>2,864,848</u>	2,757,933
Gross	<u>63,758,804</u>	59,758,337
Less: allowance for impairment	<u>(1,181,201)</u>	(1,183,098)
	<u><u>62,577,603</u></u>	<u>58,575,239</u>

Note 8: Allowance for Impairment on loans

	2016	2015
	\$	\$
Balance - Beginning of the year	<u>1,183,098</u>	1,261,924
Charges for the year	<u>(1,897)</u>	(78,826)
Balance - End of the year	<u><u>1,181,201</u></u>	<u>1,183,098</u>

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 9: Property and Equipment

	Land	Buildings	Furniture Equipment	Building work- In- Progress	Computer Systems	Total
	\$	\$	\$	\$	\$	\$
Cost						
As of December 31, 2015	2,939,014	7,488,082	1,182,921	0	196,218	11,806,235
Additions / (Disposals)	0	0	34,249	10,620	44,347	89,216
As of December 31, 2016	2,939,014	7,488,082	1,217,170	10,620	240,566	11,895,451
Depreciation						
As of December 31, 2015	0	581,310	515,653	0	109,902	1,206,865
Disposals	0	0	0	0	0	0
Charge - current period	0	149,762	108,755	0	27,113	285,630
As of December 31, 2016	0	731,071	624,409	0	137,015	1,492,495
Net Book Value						
As of December 31, 2015	2,939,014	6,906,772	667,267	0	82,514	10,599,370
As of December 31, 2016	2,939,014	6,757,011	592,761	10,620	103,551	10,402,956

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 10: Investment Properties

	Buildings	Land	Total
	\$	\$	\$
Carrying Value at January 1, 2015	8,563,970	4,440,481	13,004,451
Additions	0	0	0
(Disposal)	0	(642,208)	(642,208)
Carrying Value at December 31, 2015	8,563,970	3,798,273	12,362,243
Additions /(disposals)	0	(145,018)	(145,018)
Carrying Value at December 31, 2016	8,563,970	3,653,255	12,217,225

Note 11: Other Assets

	2016	2015
	\$	\$
Other Assets		
Prepayments	28,628	28,030
Accounts receivable	1,428,143	1,272,597
Rent receivable	54,842	19,716
Provision for bad debts	(14,945)	(14,945)
	1,496,668	1,305,398
Inventory	1,177,138	791,196
	2,673,806	2,096,594

Note 12: Other Payables

	2016	2015
	\$	\$
Trade Payables	947,585	1,081,480
Accrued expenses	13,352	4,590
Interest payable on fixed deposit	119,674	147,612
Medical insurance	58,518	59,206
Rental deposit	75,216	72,565
Gratuity/pension	539,039	0
	1,753,385	1,365,453

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 13: Supplemental Benefit Plan

The Credit Union provides retirement benefits under a defined contribution plan, which is administered by the Credit Union for all of its permanent staff. Under the provision of the plan the credit union and its employees are required to contribute 6% and 3% respectively of the basic monthly salary of employees. During the year under review the Credit Union's allocation to the plan amounted to \$36,000 (2015: \$36,000). The amounts were expensed in the appropriate years.

Note 14: Fixed Deposits

	2016	2015
	\$	\$
Fixed deposits	22,949,297	24,211,194

Note 15: Ordinary Savings

	2016	2015
	\$	\$
Christmas Savings	89,260	75,379
Members' Ordinary Savings	17,809,863	14,386,337
Staff Gratuity	190,841	220,647
Supplementary Benefit Plan	236,791	219,542
Retirement Savings Plan	7,027,888	3,953,950
Members Share deposits	34,555,317	32,799,378
Junior Savers Account	494,743	362,168
Adolescence savings plan	224,676	138,333
	60,629,379	52,156,634

Note 16: Borrowings

	2016	2015
	\$	\$
Eastern Caribbean Home Mortgage Bank	3,390,947	3,607,369

The Eastern Caribbean Home Mortgage Bank (ECHMB) borrowings represent the value of loans sold to ECHMB.

Under the terms of the agreement, the St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited remains obligated to indemnify ECHMB with respect to any default loss or title deficiency occurring during the life of the loans secured by the purchase of mortgages.

An equal amount is included within loans to customers. Fees earned on the administration of the loans are reported in other income.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 17: Share Capital

	2016	2015
	\$	\$
Share capital- Beginning of the year	11,781,670	10,493,528
Increase in share capital (Net)	1,084,885	1,288,142
Share capital- End of the year	<u>12,866,555</u>	<u>11,781,670</u>

Members' shares issued by the Credit Union are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Members' shares and shares containing redemption features have been accounted for using the partial treatment requirements of **IFRIC 2 'Members' Shares in Co-operative Entities and Similar Instruments**.

Note 18: General Reserve

	2016	2015
	\$	\$
Fund balance- Beginning of the year	4,945,726	4,636,780
Entrance Fee	3,715	3,345
Appropriation for year - 20%	0	305,601
Fund balance- End of the year	<u>4,949,441</u>	<u>4,945,726</u>

Note 19: Other Reserves

	2016	2015
	\$	\$
Death Benefit Plan	421,090	420,430
Special Reserve	323,753	324,082
Enterprise Fund	909	909
Disaster Fund	253,281	255,281
Education Reserve	37,602	54,703
Development Fund	229,955	229,955
	<u>1,266,591</u>	<u>1,285,360</u>

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 20: Revaluation Reserve

An independent team of valuers: M.A. John & Associates; Franklyn Evans & Associates; Patrick Ramgolan – Civil Engineer, revalued the Credit Unions’ properties in Kingstown. The directors have agreed to carry the properties at the appraised value. The revaluation reserve arising from the valuation of these properties amounted to \$5,126,955.

An independent licensed valuator Mr. Franklyn Browne revalued the Credit Unions’ property in Barrouallie on September 30, 2014. The directors have agreed to carry the property at the appraised value. The revaluation arising from the valuation of the property amounted to \$165,576.

Note 21: Interest Income

	2016	2015
	\$	\$
Personal	1,762,154	1,522,439
Mortgage	3,451,874	3,241,087
Student	303,915	441,161
Business	116,810	119,343
Investment securities and treasury bills	344,418	403,452
	<u>5,979,171</u>	<u>5,727,482</u>

Note 22: Interest on Members Deposits

	2016	2015
	\$	\$
Ordinary deposits	1,677,908	1,136,278
Fixed deposits	1,003,322	1,037,660
	<u>2,681,230</u>	<u>2,173,938</u>

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 23: Fees and Commissions

	2016	2015
	\$	\$
Administrative fees	183,135	91,070
Commission (ECHMB)	182,829	117,208
	<u>365,964</u>	<u>208,278</u>

Note 24: Impairment on Investment securities

	2016	2015
	\$	\$
Balance beginning of the year	839,761	839,761
Increased provision for the year	1,323,882	0
Balance end of the year	<u>2,163,643</u>	<u>839,761</u>

Note 25: Death Benefit Plan

	2016	2015
	\$	\$
Contributions received for the year	208,890	209,002
Benefits paid during the year	(194,142)	(146,793)
	14,748	62,209
Amount allocated to reserve (death benefit plan)	(1,433)	(6,220)
Excess of contributions over death benefits paid	<u>13,315</u>	<u>55,989</u>
Balance- Beginning of year	420,430	412,967
Adjustment	(773)	1,243
Balance- Ending of year	<u>421,090</u>	<u>420,430</u>

Note 26: a. Staff Cost -Credit Union

	2016	2015
	\$	\$
Salaries, Wages & Bonus	1,152,038	1,073,299
National Insurance Services contributions	49,083	53,528
Supplementary Benefit plan	38,400	35,500
Training	60,027	17,564
Staff allowances	29,254	27,859
Staff Uniform	7,664	15,736
Medical Insurance	15,975	12,635
	<u>1,352,441</u>	<u>1,236,121</u>

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 26: b. Staff Cost - Supplies Outlet

	2016	2015
	\$	\$
Salaries, Wages & Bonus	167,455	176,193
National Insurance Services contributions	8,195	8,450
Medical Insurance	870	2,068
Meals and entertainment	638	881
	<u>177,158</u>	<u>187,592</u>

Note 27: 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 or operational decisions. The St Vincent and the Grenadines Teachers Co-operative Credit Union Limited considers the board of directors, its committees, and staff as related parties.

Key Management, Committees and Directors

A number of transactions were entered into with related parties in the normal course of business. These include loans and other transactions which are defined by IAS 24 - *Related Party Disclosures*. The volume of related party transactions and outstanding balances at the year end are as follows:

	2016	2015
	\$	\$
Directors and Committees Loans		
Board of Directors	313,593	229,663
Committees	229,806	231,399
Loans outstanding at the end of the year	<u>543,399</u>	<u>461,062</u>
Directors and Committees - Deposits and Shares		
Board of Directors	456,282	535,399
Committees	456,245	395,714
Deposits and Shares at the end of the year	<u>912,527</u>	<u>931,113</u>
Management and Staff loans		
Management and Staff	2,355,625	1,750,493
Loans outstanding at the end of the year	<u>2,355,625</u>	<u>1,750,493</u>
Management and Staff - Deposit and Shares		
Management and Staff	1,258,436	1,150,907
Deposits and Shares at the end of the year	<u>1,258,436</u>	<u>1,150,907</u>

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 28: Supplies Outlet

	2016	2015
	\$	\$
Sales	1,673,617	1,854,273
Cost of Sales	(1,100,882)	(1,410,756)
	572,735	443,517
Other Income		
Interest	4,409	3,638
Commission	651	855
Gross Profit	577,795	448,010
Total selling, administrative and general expenses	(236,136)	(274,864)
Net Earnings	341,659	173,146

Note 29: Income Tax

The Credit Union is exempt from the payment of income tax in accordance with Section 241(2) of the Co-operative Societies Act, 2012.

Note 30: Contingencies and Commitments

- (i) The following indicates the contractual commitments of the Credit Union as of December 31, 2016.

	2016	2015
	\$	\$
Loans approved but not yet disbursed	3,217,084	1,749,654

- (ii) The St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited is obligated to indemnify Eastern Caribbean Home Mortgage Bank with respect to any default on loans as explained in note 16.

(iii) **Dividends**

The board of directors proposed a dividend of 3% of members share capital (permanent shares), amounting to \$324,713 and a rebate of 2% amounting to \$112,625 for the year ended December 31, 2016.

The proposed dividend and rebate are subject to approval by the membership at the Annual General Meeting of the credit union and are not recorded as liabilities in these financial statements.

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2016
(Expressed in Eastern Caribbean Currency)

Note 31: Credit Risk

	2016	2015
	\$	\$
Deposits at bank and other institutions	20,564,606	16,760,500
Investments	5,468,029	6,806,826
Loans to members	62,577,603	58,575,239
Other Assets	2,673,806	2,096,594
	91,284,043	84,239,159

Credit risk is the risk of suffering financial loss should any of the Credit Union's customers, clients or market counterparts fail to fulfill their contractual obligations to the Credit Union. Credit risk arises mainly from commercial and consumer loans and advances, and loan commitments arising from such lending activities.

Note 32: Currency Risk

The Credit Union's operations are conducted in Eastern Caribbean Currency and are exposed to currency risk associated with effect of fluctuations in rates of exchange in various currencies. Foreign currency transactions do not require the use of interest rate swaps and foreign currency options and other derivative instruments which all carry inherent risk. As of statement of financial position date, the Credit Union has the following significant currency positions:-

	2016	2015
	\$	\$
Assets		
Cash and cash equivalents	20,564,606	16,760,500
Loans to members	62,577,603	58,575,239
Other assets	2,673,806	2,096,594
Total Assets	85,816,014	77,432,333
Liabilities		
Other payables	(1,753,385)	(1,365,453)
Members deposit	(83,578,676)	(76,367,828)
Total Liabilities	(85,332,061)	(77,733,281)
Sensitivity Gap	438,953	(300,948)

Note 33: Approval of Financial Statements

These Financial Statements were approved by the Board of Directors and authorised for issue on April 12, 2017.

Note 34: Comparative Figures

Certain of the comparative figures have been reclassified in accordance with the current year's presentation.

**ST. VINCENT AND THE GRENADINES
TEACHERS CO-OPERATIVE CREDIT UNION LIMITED**

ADDITIONAL INFORMATION

TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

CONTENTS

	Page
Additional Comments of Auditors	I
Schedule of Administrative and General and Expenses	II
Schedule of Selling, Administrative and General Expenses (<i>Supplies Outlet</i>)	III



Chartered Certified Accountants

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Kingstown, St. Vincent
Tel: (784) 451-2280
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ADDITIONAL COMMENTS OF AUDITORS

To: The Members of St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited

The accompanying schedules II and III are presented as supplementary information only. In this respect, they do not form part of the financial statements of **St. Vincent and the Grenadines Teachers Co-operative Credit Union Limited** for the year ended **December 31, 2016** and hence are excluded from the opinion expressed in our report dated April 12, 2017 to the directors on such financial statements. The information on these schedules has been subject to audit procedures only to the extent necessary to express an opinion on the financial statements of the credit union and, in our opinion, is fairly presented in all respects material to those financial statements.

KDLT
Chartered Certified Accountants
(A member firm of Allinial Global)
Kingstown Park
St. Vincent and the Grenadines

April 12, 2017

Partners: Verna Samuel (Non-resident) • Kirk Da Silva

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
Schedule of Administrative and General Expenses
For the year ended December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	2016	2015
	\$	\$
Advertising and promotion	155,160	144,917
Audit fee	24,500	24,150
ATM Expenses	22,180	29,163
Bank charges	1,769	4,483
ECCL expenses	41,039	0
Depreciation	275,389	262,131
Donations	36,417	28,529
Education and training	6,598	21,610
Electricity	114,637	108,555
Gratuity and pension	606,239	36,000
Honorarium	8,700	0
Insurance - CUNA	254,104	219,822
Insurance- General	67,378	67,377
License and property tax	12,695	9,598
League dues	42,133	39,776
Meeting expenses	155,503	124,397
Microstart expenses	5,060	5,040
Miscellaneous	28,561	45,084
Office expenses	35,477	19,249
Postage	2,544	3,565
Printing and stationery	66,135	114,500
Rent	28,514	23,233
Repairs and maintenance	114,177	113,023
Scholarships	30,451	43,155
Security	148,622	128,145
Social events	52,359	14,656
Staff cost	1,352,441	1,236,121
Telephone, Cable and Faxes	115,274	80,825
Travel and subsistence	58,273	54,058
Water and sewerage	12,639	6,249
14 th OECS Summit	25,000	0
Total Administrative and General Expenses	3,899,969	3,007,412

ST. VINCENT AND THE GRENADINES TEACHERS CO-OPERATIVE CREDIT UNION LIMITED
(Supplies Outlet)
Schedule of Selling, Administrative and General Expenses
For the year ended December 31, 2016
With Comparative Figures for 2015
(Expressed in Eastern Caribbean Currency)

	2016	2015
	\$	\$
Advertising and promotion	483	5,573
Audit fees	5,500	5,290
Bank charges	1,776	1,997
Commissions and fees expense	7,426	5,489
Depreciation	10,241	22,301
Donation	150	514
Electricity	12,228	12,664
Insurance	1,700	1,700
License	250	250
Office expenses	2,778	5,161
Postage	312	147
Repairs and maintenance	4,187	11,032
Staff cost	177,158	187,592
Supplies expense	4,060	7,320
Transportation	6,446	5,931
Telephone	1,441	1,903
Total Selling, Administrative and General Expenses	236,136	274,864