



Chartered Accountants
& Business Advisors

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

31 DECEMBER 2016

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Management is responsible for the following:

- preparing and fairly presenting the accompanying consolidated financial statements of the AMGECU Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the committee keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the company's assets, detection/prevention of fraud, and the achievement of committee operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgement in the determination of estimates.


In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.


Secretary/General Manager

16th March, 2017


Accountant

16th March, 2017



Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

The Members

AMGECU Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of AMGECU Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2016, the statements of comprehensive income, changes in equity and 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 AMGECU Credit Union Co-operative Society Limited as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 AMGECU Credit Union Co-operative Society Limited in accordance with the International Ethics 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.

Other information included in the Credit Union's 2016 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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 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. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

The Board of Directors is responsible for overseeing the credit union's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.



Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT (Cont'd)

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

- 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 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 the Board of Directors 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.

A handwritten signature in blue ink that reads 'PKF'.

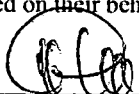
**Port of Spain
TRINIDAD
16 March 2017**

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>		31 December	
	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Current Assets:			
Cash in hand and at bank	3	\$ 10,710,280	\$ 9,989,128
Other financial assets	4	29,791,337	27,778,552
Accounts receivable	5	661,991	705,828
Amounts due from member companies	6	<u>1,711,143</u>	<u>853,600</u>
Total Current Assets		<u>42,874,751</u>	<u>39,327,108</u>
Non-Current Assets:			
Loans to members	7	108,435,965	109,514,555
Other financial assets	8	19,596,865	19,967,682
Employee benefit assets		5,839,000	5,671,000
Investment properties	9	11,715,498	11,629,456
Fixed assets	10	<u>8,705,072</u>	<u>3,085,398</u>
Total Non-Current Assets		<u>154,292,400</u>	<u>149,868,091</u>
Total Assets		<u>\$ 197,167,151</u>	<u>\$ 189,195,199</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
Current Liabilities:			
Accounts payable and accrued charges	11	\$ 907,504	\$ 854,904
Christmas Savings Plan	12	150,190	202,681
Education Savings Plan	13	<u>211,557</u>	<u>190,383</u>
Total Current Liabilities		<u>1,269,251</u>	<u>1,247,968</u>
Non-Current Liabilities:			
Members' savings and pooled funds	14	8,811,371	9,045,191
Employee benefit obligation		40,000	87,000
Members' shares	15	<u>159,453,903</u>	<u>151,378,917</u>
Total Non-Current Liabilities		<u>168,305,274</u>	<u>160,511,108</u>
Total Liabilities		<u>169,574,525</u>	<u>161,759,076</u>
Members' Equity:			
Reserve Fund	16	12,624,772	11,838,080
Building Fund	17	100,000	100,000
Education Fund	17	200,000	200,000
Charitable Fund	17	50,000	50,000
Investment Re-measurement Reserve	18	5,601,297	5,642,110
Undivided surplus		<u>9,016,557</u>	<u>9,605,933</u>
Total Members' Equity		<u>27,592,626</u>	<u>27,436,123</u>
Total Liabilities and Members' Equity		<u>\$ 197,167,151</u>	<u>\$ 189,195,199</u>

These summary financial statements were approved by the Board of Directors and authorised for issue on 16 March 2017 and signed on their behalf by:


President


Secretary/Manager


Supervisory Committee

(The accompanying notes form an integral part of these financial statements)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

		31 December	
	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Income:			
Interest on loans to members		\$ 10,235,973	\$ 10,433,722
Investment income	26	1,678,386	1,472,469
Miscellaneous income	27	<u>784,809</u>	<u>662,947</u>
Total Income		<u>12,699,168</u>	<u>12,569,138</u>
Expenses:			
Administrative expenses	28	2,130,073	2,317,746
Board and committee expenses	29	350,695	400,410
Depreciation		361,857	290,393
Fund expenses	30	124,751	171,095
Interest on members' savings and pooled funds	31	50,984	50,751
Investment property expenses		76,462	83,241
Personnel costs	32	<u>1,753,979</u>	<u>1,661,668</u>
Total Expenses		<u>4,848,801</u>	<u>4,975,304</u>
Net surplus for the year		7,850,367	7,593,834
Other Comprehensive Income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Net unrealised (loss)/gain on equity investments		(40,813)	564,675
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Net actuarial (loss)/gain on employee benefit asset and obligation	33	<u>(29,000)</u>	<u>1,369,000</u>
Total Other Comprehensive Income for the year		<u>(69,813)</u>	<u>1,933,675</u>
Total Comprehensive Income		<u>\$ 7,780,554</u>	<u>\$ 9,527,509</u>

(The accompanying notes form an integral part of these financial statements)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMEBR 2016

	<u>Reserve Fund</u>	<u>Building Fund</u>	<u>Education Fund</u>	<u>Charitable Fund</u>	<u>Investment Re- measurement Reserve</u>	<u>Undivided Surplus</u>	<u>Total</u>
Balance as at 1 January 2016	\$11,838,080	\$ 100,000	\$ 200,000	\$ 50,000	\$ 5,642,110	\$ 9,605,933	\$27,436,123
Total comprehensive income	-	-	-	-	(40,813)	7,821,367	7,780,554
Transfer from net surplus	<u>785,037</u>	<u>-</u>	<u>75,470</u>	<u>11,498</u>	<u>-</u>	<u>(872,005)</u>	<u>-</u>
	12,623,117	100,000	275,470	61,498	5,601,297	16,555,295	35,216,677
Entrance fees	1,655	-	-	-	-	(1,655)	-
Fund expenses	-	-	(75,470)	(11,498)	-	86,968	-
Dividends paid (net) – 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,624,051)</u>	<u>(7,624,051)</u>
Balance as at 31 December 2016	<u>\$12,624,772</u>	<u>\$ 100,000</u>	<u>\$ 200,000</u>	<u>\$ 50,000</u>	<u>\$ 5,601,297</u>	<u>\$ 9,016,557</u>	<u>\$27,592,626</u>

(The accompanying notes form an integral part of these financial statements)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMEBR 2016

	<u>Reserve Fund</u>	<u>Building Fund</u>	<u>Education Fund</u>	<u>Charitable Fund</u>	<u>Investment Re- measurement Reserve</u>	<u>Undivided Surplus</u>	<u>Total</u>
Balance as at 1 January 2015 (Restated)	\$11,077,917	\$ 100,000	\$ 200,000	\$ 50,000	\$ 5,077,435	\$ 8,940,152	\$25,445,504
Total comprehensive income	-	-	-	-	564,675	8,962,834	9,527,509
Transfer from net surplus	<u>759,383</u>	<u>-</u>	<u>159,148</u>	<u>4,912</u>	<u>-</u>	<u>(923,443)</u>	<u>-</u>
	11,837,300	100,000	359,148	54,912	5,642,110	16,979,543	34,973,013
Entrance fees	780	-	-	-	-	(780)	-
Fund expenses	-	-	(159,148)	(4,912)	-	164,060	-
Dividends paid (net) – 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,536,890)</u>	<u>(7,536,890)</u>
Balance as at 31 December 2015	<u>\$11,838,080</u>	<u>\$ 100,000</u>	<u>\$ 200,000</u>	<u>\$ 50,000</u>	<u>\$ 5,642,110</u>	<u>\$ 9,605,933</u>	<u>\$27,436,123</u>

(The accompanying notes form an integral part of these financial statements)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

	31 December	
	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Net surplus for the year	\$ 7,850,367	\$ 7,593,834
Employee Benefit/Obligation - IAS #19 Adjustment	(244,000)	(186,000)
Depreciation	361,857	290,393
Loss/(gain) on disposal of investments	9,240	121,443
Interest on investments	(1,343,294)	(1,099,412)
Provision for loan losses expense	<u>252,000</u>	<u>252,086</u>
Adjusted net surplus for the year	6,886,170	6,972,344
Net change in amounts due from member companies	(857,543)	(32,584)
Net change in accounts receivable and prepayments	43,837	100,184
Net change in accounts payable and accrued charges	52,600	189,634
Net change in Christmas savings plan	(52,491)	23,410
Net change in Education savings plan	<u>21,174</u>	<u>10,356</u>
Cash generated from Operating Activities	<u>6,093,747</u>	<u>7,263,344</u>
Interest received	1,343,294	1,099,412
Cash Flows from Investing Activities:		
Net movement in members' loans	826,590	(5,783,246)
Net change in fixed assets and investment properties	(6,067,573)	(188,457)
Additions to investments	(4,125,560)	(15,487,843)
Sale of investments	<u>2,433,539</u>	<u>16,245,321</u>
Cash used in Investing Activities	<u>(6,933,004)</u>	<u>(5,214,225)</u>
Net cash flow before financing activities	504,037	3,148,531
Cash Flows from Financing Activities:		
Net change in members' savings and pooled funds	(233,820)	1,259,703
Net change in members' shares	8,074,986	5,201,826
Dividends paid (net)	<u>(7,624,051)</u>	<u>(7,536,890)</u>
Cash (used in)/generated from Financing Activities	<u>217,115</u>	<u>(1,075,361)</u>
Net change in cash and cash equivalents	721,152	2,073,170
Cash and cash equivalents at beginning of year	<u>9,989,128</u>	<u>7,915,958</u>
Cash and cash equivalents at end of year	<u>\$ 10,710,280</u>	<u>\$ 9,989,128</u>
Represented by:		
Cash in hand and at bank	<u>\$ 10,710,280</u>	<u>\$ 9,989,128</u>

(The accompanying notes form an integral part of these financial statements)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

1. Incorporation and Principal Activities:

The Society was incorporated under the Co-operative Societies Act of the Republic of Trinidad and Tobago Ch 81:03 on 28th March 1956. The registered office of the Credit Union is located at #4 Borde Street, Port of Spain. The Society operates in the capacity of a Credit Union for the benefit of employees of Ansa Mc Al Limited and its subsidiary companies.

During the year ended 31 December 2011, the Society changed its name to AMGECU Credit Union Co-operative Society Limited.

2. Significant Accounting Policies:

(a) **Basis of financial statements preparation**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are expressed in Trinidad and Tobago dollars and stated in whole dollars. These financial statements are stated on the historical cost basis, except for the measurements at fair value of available-for-sale investments and certain other financial instruments.

(b) **Use of estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) **New Accounting Standards and Interpretations**

- i) The Society has not applied the following standards, revised standards and interpretations that have been issued because they are not yet effective or are not expected to have a material impact on its financial statements, except for IFRS 9 Financial Instruments:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements 2014–2016 Cycle removing short-term exemptions (effective for annual periods beginning on or after 1 January 2018).

IFRS 2 Share-Based Payment - Amendments to clarify the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018).

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

(c) New Accounting Standards and Interpretations (cont'd)

- | | |
|----------|--|
| IFRS 4 | Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9 (using the deferral approach - effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 9 | Financial Instruments - Finalised version incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 12 | Disclosure of Interest in Other Entities - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope) (effective for accounting periods beginning on or after 1 January 2017). |
| IFRS 15 | Revenue from Contracts with Customers - Amendments to defer the effective date to 1 January 2018 (effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 15 | Revenue from Contracts with Customers Clarifications to IFRS 15 (effective for accounting periods beginning on or after 1 January 2018). |
| IFRS 16 | Leases (effective for accounting periods beginning on or after 1 January 2019). |
| IAS 7 | Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017). |
| IAS 12 | Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017). |
| IAS 28 | Investment in Associates - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements) (effective for accounting periods beginning on or after 1 January 2018). |
| IAS 40 | Investment Property - Amendments to clarify transfers or property to, or from, investment property (effective for accounting periods beginning on or after 1 January 2018). |
| IFRIC 22 | Foreign Currency Transactions and Advance Consideration (Annual periods beginning on or after 1 January 2018). |

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

(c) New Accounting Standards and Interpretations (cont'd) -

- ii) The Society has not applied the following standards, revised standards and interpretations that have been issued because they do not apply to the activities of the Society or have no material impact on its financial statements:

IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
IFRS 10	Consolidated Financial Statements - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).
IFRS 12	Disclosure of Interest in Other Entities - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IFRS 14	Regulatory Deferral Accounts - (effective for accounting periods beginning on or after 1 January 2016).
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).
IAS 27	Separate Financial Statements - Amendments reinstalling the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective for accounting periods beginning on or after 1 January 2016).
IAS 28	Investment in Associates - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2016).
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):**(c) New Accounting Standards and Interpretations (cont'd) -**

IAS 41 Agriculture - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

(d) Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on the straight-line basis.

The following rates considered appropriate to write-off the assets over their estimated useful lives are applied:

Land and Building	-	2%
Office improvements	-	25%
Computer equipment	-	33%
Furniture and equipment	-	25%

No depreciation is provided on freehold land or capital work-in-progress.

The assets' residual values and useful lives are reviewed at each Statement of Financial Position date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the "Gain /Loss on Disposal" account in the Statement of Comprehensive Income.

e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, which are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

The Society utilises the same depreciation rates and basis used for its fixed assets for the Investment Properties.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):**(f) Financial instruments**

Financial instruments carried on the Statement of Financial Position include cash resources, investments, loans, deposits and other liabilities. The standard treatment for recognition, de-recognition, classification and measurement of the Credit Union's financial instruments are noted in notes (i) – (iv) below, whilst additional information on specific categories of this Credit Union's financial instruments are disclosed in notes 5-8,10.

i) Recognition

The Credit Union initially recognizes loans, advances and deposits on the date that they are 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 de-recognizes 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.

iii) Classification

This Credit Union classifies its financial assets into the following categories: Cash and cash equivalents, 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.

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 which approximates market value.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

(f) **Financial instruments (cont'd)**

iii) **Classification (cont'd)**

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. Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realizable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions. Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

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. If this Credit Union were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be compromised and re-classified as available-for-sale.

Available-for-sale

Available-for-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.

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest. Members' deposits bear interest at rates that are not significantly different from current market rates and are assumed to have discounted cash flow values which approximate carrying values.

Members' shares

Members' shares are classified as equity and stated at fair value.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

(f) Financial instruments (cont'd)

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 Statement of Financial Position 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 asset 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 costs, less impairment losses. Gains and losses, both realized and unrealized, arising from the change in the financial assets at fair value through profit and loss are reported in other income.

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

On disposal or on maturity of an investment, the difference between the net proceeds and the carrying amount is included in the Statement of Comprehensive 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 Comprehensive Income.

v) Impairment of financial assets

The Credit Union assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):

(f) **Financial instruments (cont'd)**

v) **Impairment of financial assets (cont'd)**

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Credit Union about the following loss events:

- Significant financial difficulty of the issuer or obligor.
- A breach of contract, such as default or delinquency in interest or principal payments.
- It becoming probable that the borrower will enter in bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Credit Union or national or economic conditions that correlate with defaults on assets in the Credit Union.

(g) **Income recognition**

Interest on members' loans and fixed deposits are accounted for on the accrual basis. Interest on saving and current accounts and dividend income are accounted for on the cash basis.

(h) **Members' special deposits**

Members' special deposits bear interest at rates approved by the Board of Directors. The Board of Directors periodically reviews these rates.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****2. Significant Accounting Policies (Cont'd):****(i) Employee benefits**

The Alston's Pension Fund Plan covers monthly paid employees. This is a contributory defined pension plan that offers members' retirement benefits in accordance with the Plan's Trust Deed and Rules. Trustees administer the pension plan and the Trust is entirely divorced from the Credit Union's finances.

The pension accounting cost for the plan is assessed using the project unit credit method. Under this method, the cost of provided pensions is charged to the statement of comprehensive income so as to spread the regular cost of a qualified actuary, who carries out a full valuation of the plan every year.

The Credit Union also provides post retirement health benefits to their retirees. The entitlement to these benefits is based on the employee remaining in service up to the retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that of the defined benefit plan.

(j) Unclaimed Dividends

In accordance with Bye Law 8(a) of the Credit Union, all dividends to members remaining unclaimed after one (1) year from the date of declaration are transferred to Unclaimed Dividends. Any sum remaining unclaimed in this account for two (2) years may be transferred to the Reserve Fund.

(k) Dividends

Dividends are recommended by the Board of Directors and approved by the members at the Annual General Meeting. Dividends are an appropriation of retained earnings as disclosed in the Statement of Changes in Members' Equity and Reserves. In accordance with IAS #10, the dividends are not accounted for as a liability at year-end.

The dividends are 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.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

2. Significant Accounting Policies (Cont'd):(I) **Foreign Currency**

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Foreign monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange prevailing at the Statement of Financial Position date. Resulting translation differences and profits and losses from trading activities are included in the Statement of Comprehensive Income.

3. Financial Risk Management:**Financial risk factors**

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in equity investments, government securities and on-lending to members at higher interest rates.

Financial Instruments

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

	2016	
	<u>Carrying Value</u>	<u>Fair Value</u>
Financial Assets		
Cash in hand and at bank	\$ 10,710,280	\$ 10,710,280
Other financial assets (Short-term investments)	29,573,194	29,791,337
Accounts receivables and prepayments	661,991	661,991
Amounts due from Members' Companies	1,711,143	1,711,143
Loans to members	108,435,965	108,435,965
Other financial assets (Long-term investments)	14,213,332	19,596,865
Employee benefit assets	5,839,000	5,839,000
Financial Liabilities		
Accounts payable and accrued charges	907,504	907,504
Members' deposits: Christmas Saving Plan (short-term)	150,190	150,190
Members' deposits: Education Saving Plan (short-term)	211,557	211,557
Members' savings and pooled funds (long-term)	8,811,370	8,811,370
Employee benefit obligation	40,000	40,000
Members' shares	159,453,903	159,453,903

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. Financial Risk Management (Cont'd):**Financial Instruments (cont'd) -**

	2015	
	<u>Carrying Value</u>	<u>Fair Value</u>
Financial Assets		
Cash in hand and at bank	\$ 9,989,128	\$ 9,989,128
Other financial assets (Short-term investments)	27,764,254	27,778,552
Accounts receivables and prepayments	705,828	705,828
Amounts due from Members' Companies	853,600	853,600
Loans to members	109,514,555	109,514,555
Other financial assets (Long-term investments)	14,341,450	19,967,682
Employee benefit assets	5,671,000	5,671,000
Financial Liabilities		
Accounts payable and accrued charges	854,904	854,904
Members' deposits: Christmas Saving Plan (short-term)	202,681	202,681
Members' deposits: Education Saving Plan (short-term)	190,383	190,383
Members' savings and pooled funds (long-term)	9,045,191	9,045,191
Employee benefit obligation	87,000	87,000
Members' shares	151,378,917	151,378,917

The Society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Society to manage these risks are discussed below:

(a) **Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****3. Financial Risk Management (Cont'd):****Financial Instruments (cont'd) -****(a) Interest rate risk -**

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

i) Bonds

The Society invests mainly in medium term bonds consisting of fixed rate instruments.

The market values of the fixed rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market values will not impact the Statement of Income.

ii) Loans

The Society generally invests in fixed rate loans to members for terms that average five years, however, mortgage loans can extend to a maximum of twenty (20) years. These are funded mainly from member deposits and shares and loan repayments.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. **Financial Risk Management (Cont'd):****Financial Instruments (cont'd) -****Interest rate sensitivity analysis**

The Society's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

	2016					
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non- Interest Bearing</u>	<u>Total</u>
Financial Assets						
Cash in hand and at bank	0.01%	\$ 7,956,400	\$ -	\$ -	\$ 2,753,880	\$10,710,280
Other financial assets	4.02%	29,791,337	-	-	-	29,791,337
Accounts receivables and prepayments	-	-	-	-	661,991	661,991
Amounts due from Members' Companies	-	-	-	-	1,711,143	1,711,143
Loans to members	12.00%	2,620,198	75,051,542	30,764,225	-	108,435,965
Other financial assets	4.00%	-	2,791,864	16,805,001	-	19,596,865
Employee benefit assets	5.00%	-	-	-	5,839,000	5,839,000
Financial Liabilities						
Accounts payable and accrued charges	-	-	-	-	907,504	907,504
Members' deposits: Christmas Saving	1.00%	150,190	-	-	-	150,190
Members' deposits: Education Saving	1.00%	211,557	-	-	-	211,557
Members' savings and pooled funds	0.75%	8,811,370	-	-	-	8,811,370
Employee benefit obligation	5.00%	-	-	-	40,000	40,000
Members' shares	5.30%	159,453,903	-	-	-	159,453,903

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. Financial Risk Management (Cont'd):

Financial Instruments (cont'd) -

Interest rate sensitivity analysis (cont'd)

	2015					
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non- Interest Bearing</u>	<u>Total</u>
Financial Assets						
Cash in hand and at bank	0.01%	\$ 9,562,304	\$ -	\$ -	\$ 426,824	\$ 9,989,128
Other financial assets	4.02%	27,778,552	-	-	-	27,778,552
Accounts receivables and prepayments	-	-	-	-	705,828	705,828
Amounts due from Members' Companies	-	-	-	-	853,600	853,600
Loans to members	12.00%	2,242,218	32,700,131	74,572,206	-	109,514,555
Other financial assets	4.00%	-	2,676,916	17,290,766	-	19,967,682
Employee benefit assets	5.00%	-	-	-	5,671,000	5,671,000
Financial Liabilities						
Accounts payable and accrued charges	-	-	-	-	854,904	854,904
Members' deposits: Christmas Saving	1.00%	202,681	-	-	-	202,681
Members' deposits: Education Saving	1.00%	190,383	-	-	-	190,383
Members' savings and pooled funds	0.75%	9,045,191	-	-	-	9,045,191
Employee benefit obligation	5.00%	-	-	-	87,000	87,000
Members' shares	5.30%	151,378,917	-	-	-	151,378,917

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. Financial Risk Management (Cont'd):

Financial Instruments (cont'd) -

(b) Credit risk -

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the Statement of Financial Position date. The Society relies heavily on a written Loan Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Society's lending philosophy; provide policy guidelines to team members involved in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Society's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Society has policies to limit the amount of exposure to any single financial institution.

The Society also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

(c) Liquidity risk -

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Society has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The Society is able to make daily calls on its available cash resources to settle financial and other liabilities.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. Financial Risk Management (Cont'd):Financial Instruments (cont'd) -(c) Liquidity risk (cont'd)i) Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Society. The Society employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Society's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

To manage and reduce liquidity risk the Society's management actively seeks to match cash inflows with liability requirements.

ii) Liquidity gap

The Society's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the Statement of Financial Position date to the contractual maturity date.

	2016			
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Financial Assets				
Cash in hand and at bank	\$ 10,710,280	\$ -	\$ -	\$ 10,710,280
Other financial assets	29,791,337	-	-	29,791,337
Accounts receivables and prepayments	661,991	-	-	661,991
Amounts due from Members' Companies	1,711,143	-	-	1,711,143
Loans to members	2,620,198	75,051,542	30,764,225	108,435,965
Other financial assets	-	2,791,864	16,805,001	19,596,865
Employee benefit assets	-	-	5,839,000	5,839,000
Financial Liabilities				
Accounts payable and accrued charges	907,504	-	-	907,504
Members' deposits: Christmas Saving	150,190	-	-	150,190
Members' deposits: Education Saving	211,557	-	-	211,557
Members' savings and pooled funds	8,811,370	-	-	8,811,370
Employee benefit obligation	-	-	40,000	-
Members' shares	159,453,903	-	-	159,453,903

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. **Financial Risk Management (Cont'd):****Financial Instruments (cont'd) -****(c) Liquidity risk (cont'd)**

	2015			
	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Financial Assets				
Cash in hand and at bank	\$ 9,989,128	\$ -	\$ -	\$ 9,989,128
Other financial assets	27,778,552	-	-	27,778,552
Accounts receivables and prepayments	705,828	-	-	705,828
Amounts due from Members' Companies	853,600	-	-	853,600
Loans to members	2,242,218	32,700,131	74,572,206	109,514,555
Other financial assets	-	2,676,916	17,290,766	19,967,682
Employee benefit assets	-	-	5,671,000	5,671,000
Financial Liabilities				
Accounts payable and accrued charges	854,904	-	-	854,904
Members' deposits: Christmas Saving	202,681	-	-	202,681
Members' deposits: Education Saving	190,383	-	-	190,383
Members' savings and pooled funds	9,045,191	-	-	9,045,191
Employee benefit obligation	-	-	87,000	87,000
Members' shares	151,378,917	-	-	151,378,917

(d) Currency risk -

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(e) Operational risk -

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. Supervisory controls are installed to minimize human error. Additionally, staff is often rotated and trained on an on-going basis.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

3. Financial Risk Management (Cont'd):

Financial Instruments (cont'd) -

(f) Compliance risk -

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Society. The Society has an Internal Audit Department which does routine reviews on compliance.

(g) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Society's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Society engages in public social endeavours to engender trust and minimize this risk.

4. Critical Accounting Estimates and Judgments:

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Credit Union's accounting policies. See Note 2 (b).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. The Credit Union makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

4. Critical Accounting Estimates and Judgments (Cont'd):

The critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as held to maturity investments, available for sale or loans and receivables.
- ii) Which depreciation method is used for fixed assets.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (requiring management's most difficult, subjective or complex judgments) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- i) Impairment of assets

Management assesses at each Statement of Financial Position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

- ii) Fixed assets

Management exercises judgment in determining whether future economic benefits can be derived from expenditure to be capitalised and in estimating the useful lives and residual values of these assets.

5. Cash in Hand and at Bank:

	31 December	
	<u>2016</u>	<u>2015</u>
Cash in hand	\$ 10,000	\$ 10,000
Cash in transit	169,773	416,824
Trinidad and Tobago Unit Trust Corporation		
- TT\$ Income Fund	4,501,939	2,718,327
- US\$ Money Market Fund	3,454,461	2,861,711
RBC Royal Bank (Trinidad and Tobago) Limited – Dividend Account	127,682	187,687
RBC Royal Bank (Trinidad and Tobago) Limited – Multilplier Account	<u>2,446,425</u>	<u>3,794,579</u>
	<u>\$ 10,710,280</u>	<u>\$ 9,989,128</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

6. Other Financial Assets:

	31 December	
	<u>2016</u>	<u>2015</u>
<u>Available-for-sale</u>		
Caribbean Finance Company Limited	\$ 3,984,972	\$ 3,822,088
Trinidad and Tobago Unit Trust Corporation		
- Income and Growth Fund	5,414,178	4,374,190
RBC Royal Bank (Trinidad and Tobago) Limited –		
ROYTRIN Mutual Funds	2,900,269	2,678,118
Mutual Funds held with Republic Securities – MSCI	450,355	374,774
KCL Capital Market Brokers Limited – Pooled funds	1,008,209	1,000,000
Ansa Merchant Bank Limited	6,308,343	8,119,409
Firstline Securities Limited	4,000,000	4,000,000
Home Mortgage Bank – Mortgage Participation Fund	3,589,289	1,303,899
Guardian Asset Management Limited	<u>2,135,722</u>	<u>2,106,074</u>
	<u>\$ 29,791,337</u>	<u>\$ 27,778,552</u>

7. Accounts Receivable and Prepayments:

	31 December	
	<u>2016</u>	<u>2015</u>
Interest receivable on fixed deposits	\$ 130,884	\$ 135,845
Interest on loans	274,238	294,834
Prepayments	50,774	60,116
Dividends receivable	7,127	-
Bond interest receivable	137,488	143,067
Other receivables	28,455	28,991
Rent receivable	<u>33,025</u>	<u>42,975</u>
	<u>\$ 661,991</u>	<u>\$ 705,828</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

8. Amounts due from Members' Companies:

	31 December	
	<u>2016</u>	<u>2015</u>
MBM Crown and Equipment	\$ 47,024	\$ -
Alstons Marketing Company Limited	124,365	-
Alstons Shipping Limited	50,927	55,164
Alstons Building Enterprises Limited	135,947	149,463
Ansa Finance and Merchant Bank Limited	16,515	16,465
Ansa Polymer	-	124,064
Ansa Technologies Limited	-	27
Burmac Limited	4,233	-
Classic/Diamond Mc Eneaney Motors Limited	102,865	-
Penta Paints Caribbean Limited	-	57,246
Windsor Construction Company Limited	-	18,597
Trinidad Publishing Company Limited	43,197	42,436
Ansa Mc Al Limited	75,054	63,949
Ansa Mc Al Chemicals Limited	66,229	-
Brick Fource Limited/Bestcrete	191,006	105,606
Standard Distributors Limited	136,677	142,495
Caribbean Development Company Limited	377,791	1,000
Trinidad and Tobago Insurance Limited (TATIL)	64,011	(3,000)
Tatil Life Assurance Limited	73,233	-
Tatil Life - Agents	43,175	48,173
Trinidad Match Factory Limited	7,221	8,976
Pensioners	53,487	-
OTC payroll group	98,186	22,939
	<u>\$ 1,711,143</u>	<u>\$ 853,600</u>

9. Loans to Members:

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

	31 December	
	<u>2016</u>	<u>2015</u>
Loans to members	\$ 110,650,697	\$ 111,477,287
Less: Provision for loan losses	(2,214,732)	(1,962,732)
	<u>\$ 108,435,965</u>	<u>\$ 109,514,555</u>
<u>Provision for loan losses</u>		
Balance at beginning of year	\$ 1,962,732	\$ 1,710,646
Charge for the year	252,000	252,086
Balance at end of year	<u>\$ 2,214,732</u>	<u>\$ 1,962,732</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

10. Other Financial Assets:

	31 December	
	<u>2016</u>	<u>2015</u>
<u>Available-for-sale - Bonds</u>		
Government of the Republic of Trinidad and Tobago bonds	\$ 1,142,940	\$ 1,222,166
Government of Belize – Guaranteed mortgage note	233,870	233,870
PETROTRIN bonds	<u>2,791,864</u>	<u>2,676,916</u>
Less: Provision for diminution of investment	4,168,674	4,132,952
	<u>(233,870)</u>	<u>(233,870)</u>
	<u>3,934,804</u>	<u>3,899,082</u>
<u>Available-for-sale - Equity</u>		
Angostura Holdings Limited – 1,000 shares (2015: 1,000)	15,000	13,970
Ansa Mc Al Limited – 19,000 shares (2015: 19,000)	1,263,500	1,265,970
Ansa Merchant Bank Limited – 11,500 shares (2015: 11,500)	461,150	448,040
CLICO Investment Fund – 32,900 shares (2015 : 32,900)	744,198	748,475
Coca Cola Bottling Company – 2,086 shares (2015: 2,086)	2,519,763	2,577,629
East Caribbean Financial Holdings Ltd. – 25,000 shares (2015: 25,000)	336,250	399,750
First Caribbean International Bank Ltd. – 7,600 shares (2015: 7,600)	64,600	38,076
First Citizens Bank Limited – 103,301 shares (2015: 103,301)	3,613,469	3,615,535
Grace Kennedy and Company Limited – 75,000 shares (2015: 25,000)	200,250	101,250
Guardian Holdings Limited – 46,047 shares (2015: 46,047)	582,494	610,123
Guardian Media Limited – 3,000 shares (2015: 3,000)	56,970	59,250
Jamaica Money Market Brokers Limited – 10,000 shares (2015: 10,000)	9,000	5,500
Massy Holdings Limited – 18,900 shares (2015: 18,900)	982,800	1,161,405
National Enterprises Limited – 25,000 shares (2015: 25,000)	266,250	409,250
One Caribbean Media Limited – 10,000 shares (2015: 10,000)	199,000	220,000
Point Lisas Industrial Development Co. Ltd. – 22,191 shares (2015: 22,191)	82,107	86,989
Prestige Holdings Limited – 38,397 shares (2015: 38,397)	438,086	387,809
Republic Bank Limited – 4,800 shares (2015: 4,800)	520,512	537,264
Royal Bank of Canada – 1,659 shares (2015: 1,659)	758,329	576,370
Sagicor Financial Corporation – 7,000 shares (7,000)	54,110	43,400
Scotiabank Trinidad and Tobago Limited – 19,000 shares (2015: 19,000)	1,117,960	1,176,860
Trinidad Cement Limited – 28,200 shares (2015: 28,200)	124,080	112,518
Unilever Caribbean Limited – 9,901 shares (2015: 9,901)	592,476	676,238
West Indian Tobacco Company Limited – 5,197 shares (2015: 5,197)	<u>659,707</u>	<u>656,329</u>
	15,662,061	15,928,000
Sagicor Financial Corporation 6.5% Preference shares – Nil shares (2015: 20,000)	<u>-</u>	<u>140,600</u>
	<u>15,662,061</u>	<u>16,068,600</u>
	<u>\$ 19,596,865</u>	<u>\$ 19,967,682</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

11. Employee Benefit Assets:

	31 December	
	<u>2016</u>	<u>2015</u>
<u>Amount Recognised in the Statement of Financial Position</u>		
Present value of the Defined Benefit Obligation	\$ 2,833,000	\$ 2,708,000
Fair value of Plan assets	<u>(8,672,000)</u>	<u>(8,379,000)</u>
	(5,839,000)	(5,671,000)
Unrecognised asset due to Limit in Paragraph 58	<u>-</u>	<u>-</u>
Asset recognised on the Statement of Financial Position	<u>(5,839,000)</u>	<u>(5,671,000)</u>
<u>Net Amount Recognised in the Statement of Income</u>		
Current service cost	52,000	40,000
Net interest cost	(282,000)	(204,000)
Administrative expenses	<u>9,000</u>	<u>2,000</u>
Income recognised in the Statement of Income	<u>(221,000)</u>	<u>(162,000)</u>
<u>Net Amount Recognised in Other Comprehensive Income</u>		
Experience losses/(gains) - Demographic	34,000	292,000
Experience gains - Financial	47,000	64,000
Effect of Limit in Paragraph 58 (b)	<u>-</u>	<u>(1,755,000)</u>
Actuarial (gains)/losses recognised in Other Comprehensive Income	<u>81,000</u>	<u>(1,399,000)</u>
<u>Movement in Asset Recognised in the Statement of Financial Position</u>		
Employee Benefit Asset as at end of year	(5,671,000)	(4,082,000)
Net amount recognised in the Statement of Income	(221,000)	(162,000)
Net amount recognised in Other Comprehensive Income	81,000	(1,399,000)
Contributions	<u>(28,000)</u>	<u>(28,000)</u>
Employee Benefit Asset as at end of year	<u><u>\$ (5,839,000)</u></u>	<u><u>\$ (5,671,000)</u></u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

11. Employee Benefit Assets (Cont'd):

	31 December	
	<u>2016</u>	<u>2015</u>
Local Equities	33%	35%
Local Bonds	37%	33%
Foreign Investments	15%	19%
Real Estate/Mortgages	2%	2%
Short Term Securities	<u>13%</u>	<u>11%</u>
	<u><u>100%</u></u>	<u><u>100%</u></u>
	<u>2016</u>	<u>2015</u>
Actual Return on Plan Assets	<u>\$ 369,000</u>	<u>\$ 256,000</u>

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	<u>2016</u>	<u>2015</u>
Discount Rate at December 31	5.00%	5.00%
Future Salary increases	3.00%	3.00%

The Company is expected to contribute **\$29,200** to its defined benefit plan in fiscal 2017.

Sensitivity of Present Value of Defined Benefit Obligation

	1% increase	1% decrease
Discount Rate	(312,000)	393,000
Salary Growth	77,000	(67,000)

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

12. Investment properties:

Cost	<u>Borde Street Apartments</u>	<u>Dundonald Street</u>	<u>Sagan Drive</u>	<u>Total</u>
Balance as at 1 January 2016	\$ 4,169,787	\$ 4,384,860	\$ 4,047,700	\$12,602,347
Additions	215,471	8,000	-	223,471
Disposals	-	(1,936)	-	(1,936)
Balance as at 31 December 2016	<u>4,385,258</u>	<u>4,390,924</u>	<u>4,047,700</u>	<u>12,823,882</u>
Accumulated Depreciation				
Balance as at 1 January 2016	829,701	125,984	17,206	972,891
Charge for the year	88,547	36,957	11,925	137,429
Disposals	-	(1,936)	-	(1,936)
Balance as at 31 December 2016	<u>918,248</u>	<u>161,005</u>	<u>29,131</u>	<u>1,108,384</u>
Net Book Value				
Balance as at 31 December 2016	<u>\$ 3,467,010</u>	<u>\$ 4,229,919</u>	<u>\$ 4,018,569</u>	<u>\$ 11,715,498</u>
Balance as at 31 December 2015	<u>\$ 3,340,086</u>	<u>\$ 4,258,876</u>	<u>\$ 4,030,494</u>	<u>\$ 11,629,456</u>
Cost	<u>Borde Street Apartments</u>	<u>Dundonald Street</u>	<u>Sagan Drive</u>	<u>Total</u>
Balance as at 1 January 2015	\$ 4,096,717	\$ 4,384,860	\$ 4,047,700	\$12,529,277
Additions	73,070	-	-	73,070
Disposals	-	-	-	-
Balance as at 31 December 2015	<u>4,169,787</u>	<u>4,384,860</u>	<u>4,047,700</u>	<u>12,602,347</u>
Accumulated Depreciation				
Balance as at 1 January 2015	723,112	90,981	5,281	819,374
Charge for the year	106,589	35,003	11,925	153,517
Disposals	829,701	125,984	17,206	972,891
Balance as at 31 December 2015	<u>106,589</u>	<u>35,003</u>	<u>11,925</u>	<u>153,517</u>
Net Book Value				
Balance as at 31 December 2015	<u>\$ 3,340,086</u>	<u>\$ 4,258,876</u>	<u>\$ 4,030,494</u>	<u>\$11,629,456</u>
Balance as at 31 December 2014	<u>\$ 3,373,605</u>	<u>\$ 4,293,879</u>	<u>\$ 4,042,419</u>	<u>\$11,709,903</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

13. Fixed Assets:

Cost	<u>Land and Building</u>	<u>Office Improvements</u>	<u>Computer Equipment</u>	<u>Furniture and Equipment</u>	<u>Capital Work-in - Progress</u>	<u>Total</u>
Balance as at 1 January 2016	\$ 3,073,418	\$ 433,712	\$ 583,699	\$ 855,823	\$ -	\$ 4,946,652
Additions	3,837,017	-	117,873	121,139	1,768,073	5,844,102
Disposals	-	-	-	(1,666)	-	(1,666)
Balance as at 31 December 2016	<u>6,910,435</u>	<u>433,712</u>	<u>701,572</u>	<u>975,296</u>	<u>1,768,073</u>	<u>10,789,088</u>
Accumulated Depreciation						
Balance as at 1 January 2016	190,658	371,886	558,609	740,101	-	1,861,254
Charge for the year	99,945	24,821	36,936	62,726	-	224,428
Disposals	-	-	-	(1,666)	-	(1,666)
Balance as at 31 December 2016	<u>290,603</u>	<u>396,707</u>	<u>595,545</u>	<u>801,161</u>	<u>-</u>	<u>2,084,016</u>
Net Book Value						
Balance as at 31 December 2016	<u>\$ 6,619,832</u>	<u>\$ 37,005</u>	<u>\$ 106,027</u>	<u>\$ 174,135</u>	<u>\$ 1,768,073</u>	<u>\$ 8,705,072</u>
Balance as at 31 December 2015	<u>\$ 2,882,760</u>	<u>\$ 61,826</u>	<u>\$ 25,090</u>	<u>\$ 115,722</u>	<u>\$ -</u>	<u>\$ 3,085,398</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

13. Fixed Assets (Cont'd):

Cost	<u>Land and Building</u>	<u>Office Improvements</u>	<u>Computer Equipment</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Balance as at 1 January 2015 (Restated)	\$ 3,073,418	\$ 399,117	\$ 570,329	\$ 788,401	\$ 4,831,265
Additions	<u>-</u>	<u>34,595</u>	<u>13,370</u>	<u>67,422</u>	<u>115,387</u>
Balance as at 31 December 2015	<u>3,073,418</u>	<u>433,712</u>	<u>583,699</u>	<u>855,823</u>	<u>4,946,652</u>
Accumulated Depreciation					
Balance as at 1 January 2015 (Restated)	165,190	350,782	534,322	674,084	1,724,378
Charge for the year	<u>25,468</u>	<u>21,104</u>	<u>24,287</u>	<u>66,017</u>	<u>136,876</u>
Balance as at 31 December 2015	<u>190,658</u>	<u>371,886</u>	<u>558,609</u>	<u>740,101</u>	<u>1,861,254</u>
Net Book Value					
Balance as at 31 December 2015	<u>\$ 2,882,760</u>	<u>\$ 61,826</u>	<u>\$ 25,090</u>	<u>\$ 115,722</u>	<u>\$ 3,085,398</u>
Balance as at 31 December 2014 (Restated)	<u>\$ 2,908,228</u>	<u>\$ 48,335</u>	<u>\$ 36,007</u>	<u>\$ 114,317</u>	<u>\$ 3,106,887</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

14. Accounts Payable and Accrued Charges:

	31 December	
	<u>2016</u>	<u>2015</u>
Accounts payable and accrued charges	\$ 448,886	\$ 440,308
CUNA Insurance premium	69,622	71,561
CUNA Indemnity Insurance Plan	142,432	117,500
Suspense account	124,099	124,280
Apartment rental deposit	33,690	39,190
Members' Special Deposit interest payable	420	260
Members' Education savings interest payable	289	281
Members' Christmas savings interest payable	114	171
Members' dividend deposits	26,251	-
Statutory deductions payable	(2)	260
Salary deductions	18,493	-
Accrued vacation leave	<u>43,210</u>	<u>61,093</u>
	<u>\$ 907,504</u>	<u>\$ 854,904</u>

15. Christmas Savings Plan:

The Christmas Savings Plan is a facility established for members. This Plan runs in a twelve (12) month cycle (November to October) and paid an interest of 1% per annum.

16. Education Savings Plan:

The Education Savings Plan is a facility established for members. This Plan runs in a twelve (12) month cycle (June to May) and paid an interest of 1% per annum.

17. Members' Savings and Pooled Funds:

	31 December	
	<u>2016</u>	<u>2015</u>
Members' pooled fund and accrued interest	\$ 3,919,255	\$ 3,692,984
Members' savings deposits	4,189,412	4,869,509
Members' special deposit	<u>702,703</u>	<u>482,698</u>
	<u>\$ 8,811,370</u>	<u>\$ 9,045,191</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

18. Employee Benefit Obligation:

	31 December	
	<u>2016</u>	<u>2015</u>
<u>Amount Recognised in the Statement of Financial Position</u>		
Present value of the Defined Benefit Obligation	\$ 40,000	\$ 87,000
Liability recognised on the Statement of Financial Position	<u>40,000</u>	<u>87,000</u>
<u>Net Amount Recognised in the Statement of Income</u>		
Current service cost	3,000	4,000
Interest cost	<u>4,000</u>	<u>3,000</u>
Cost/(Income) recognised in the Statement of Income	<u>7,000</u>	<u>7,000</u>
<u>Net Amount Recognised in Other Comprehensive Income</u>		
Experience (gains)/loss - Demographic	<u>(52,000)</u>	<u>30,000</u>
Actuarial gains recognised in Other Comprehensive Income	<u>(52,000)</u>	<u>30,000</u>
<u>Movement in Liability Recognised in the Statement of Financial Position</u>		
Employee Benefit Obligation as at beginning of year	87,000	53,000
Net amount recognised in the Statement of Income	7,000	7,000
Net amount recognised in Other Comprehensive Income	(52,000)	30,000
Contributions	<u>(2,000)</u>	<u>(3,000)</u>
Employee Benefit Obligation as at end of year	<u>\$ 40,000</u>	<u>\$ 87,000</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

18. Employee Benefit Obligation (Cont'd):

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	<u>2016</u>	<u>2015</u>
Discount Rate at 31 December	5.00%	5.00%
Future Medical Claims Inflation	3.00%	3.00%

The Company is expected to contribute \$ Nil to its post retirement medical plan in 2017.

Sensitivity of Present Value of Defined Benefit Obligation

	1% increase	1% decrease
Medical Inflation Rate	<u>\$ 12,000</u>	<u>\$ (9,000)</u>

19. Members' Shares Account:

In accordance with existing International Financial Reporting Standards and given the substance and nature of members' shares, this balance is accounted for as a liability and not as capital of the Credit Union. The Credit Union Bye Laws 12 (a) allows for the issue of an unlimited number of shares of \$5 each.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

20. Reserve Fund:

The Co-operatives Act 1971 Section 47 (2) requires that at least 10% of the net surplus of the Society for the year be transferred to a Reserve Fund. In accordance with Bye-Laws 19 and 22 of the Credit Union, this reserve may be used only with the approval of the Commissioner for bad loans and loans and other losses sustained through extraordinary circumstances over which the Credit Union has no control.

21. Other Funds:

At a Special Meeting of the Board of Directors held on 21 February 2011, a decision was taken to establish the following funds from January 2011:

Building Fund for construction projects	-	\$100,000
Charitable Fund for charitable donations	-	\$ 50,000
Education Fund for educational programs	-	\$100,000

At a Meeting of the Board of Directors held on 30 January 2014, a decision was taken to increase the Education Fund to **\$200,000** as at 31 December 2013.

22. Investment Re-measurement Reserve:

In accordance with IAS #39, the Board of Directors has created an investment re-measurement reserve which includes unrealised gains/losses on available-for-sale investments.

23. 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 rates.

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

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

23. Related Party Transactions(Cont'd):

	31 December	
	<u>2016</u>	<u>2015</u>
<u>Assets, Liabilities and Members' Equity</u>		
Loans and other receivables		
Loans to directors, committee members, key management personnel	\$ 6,927,137	\$ 6,792,478
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	\$ 4,350,477	\$ 3,831,622
Interest and other income		
Interest on loans - directors, committee members, key management personnel	\$ 6,776	\$ 1,743
Key management compensation		
Short-term benefits	\$ 619,025	\$ 571,385

24. Fair Values:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

a) **Current assets and liabilities -**

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

b) **Members' Loans -**

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

24. **Fair Values (Cont'd):**c) **Investments -**

The fair values of investments are determined on the basis of market prices available at 31 December 2016.

d) **Members' deposits -**

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

25. **Capital Risk Management:**

The Society manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, which comprises reserves and undivided surplus.

26. **Investment Income:**

	31 December	
	<u>2016</u>	<u>2015</u>
Interest on fixed deposits and savings accounts	\$ 317,923	\$ 413,759
Interest on current account	-	10,516
Loss on disposal of investments	(9,240)	(121,443)
CUNA commissions	77,667	70,225
Other investment income	<u>1,292,036</u>	<u>1,099,412</u>
	<u>\$ 1,678,386</u>	<u>\$ 1,472,469</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

27. Miscellaneous Income:

	31 December	
	<u>2016</u>	<u>2015</u>
Loan processing fees	\$ 88,083	\$ 80,407
Rental income – Car park	159,999	162,052
Rental income – Apartments	362,000	390,000
Entrance fees	1,655	780
Gain on foreign exchange	169,564	26,761
Other income	<u>3,508</u>	<u>2,947</u>
	<u>\$ 784,809</u>	<u>\$ 662,947</u>

28. Administrative Expenses:

	31 December	
	<u>2016</u>	<u>2015</u>
Advertising and promotion	\$ 15,547	\$ 42,729
Annual general meeting	265,336	180,298
Audit fees	75,900	75,900
Bad and doubtful debts	252,000	252,086
Bank charges	18,626	46,808
Cable expenses (Flow)	3,652	3,838
Computer expenses	43,727	37,021
CUNA premiums	825,591	861,548
Electricity	26,576	30,329
Insurance	69,471	63,460
Investment commissions and fees	243	12,510
League dues	52,648	45,461
Legal and professional fees	65,897	220,724
Maintenance	101,011	114,072
Member relation expense	8,377	4,764
Office expenses	47,763	49,876
Postage and courier	19,555	21,873
Printing and stationery	57,470	63,432
Rates and taxes	10,052	9,444
Security	93,807	94,043
Telephone and internet	<u>76,824</u>	<u>87,530</u>
	<u>\$ 2,130,073</u>	<u>\$ 2,317,746</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2016

29. Board and Committee Expenses:

	31 December	
	<u>2016</u>	<u>2015</u>
Committee stipend allowance	\$ 90,475	\$ 111,595
Committee meeting expenses	32,052	42,105
Honorarium	189,817	162,237
Sport Committee expenses	<u>38,351</u>	<u>84,473</u>
	<u>\$ 350,695</u>	<u>\$ 400,410</u>

30. Fund Expenses:

	31 December	
	<u>2016</u>	<u>2015</u>
Charity Fund expenses	\$ 11,498	\$ 4,912
Education Fund expenses	75,470	159,148
Retirees Fund expenses	<u>37,783</u>	<u>7,035</u>
	<u>\$ 124,751</u>	<u>\$ 171,095</u>

31. Interest on Members' Savings and Pooled Funds:

	31 December	
	<u>2016</u>	<u>2015</u>
Interest on members' savings and pooled funds	\$ 37,586	\$ 38,351
Special deposit interest	5,931	4,408
Education savings plan interest	1,735	1,689
Christmas savings plan interest	<u>5,732</u>	<u>6,303</u>
	<u>\$ 50,984</u>	<u>\$ 50,751</u>

AMGECU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

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31 DECEMBER 2016

32. Personnel Costs:

	31 December	
	<u>2016</u>	<u>2015</u>
Annuity	\$ 14,771	\$ -
Contract services	37,730	28,168
Employee Assistance Program	2,400	3,200
Employee Benefit Asset/Obligation – IAS #19 adjustment	(215,000)	(186,000)
Group life insurance	16,565	11,902
Incentives and bonuses	66,125	145,571
Medical insurance plan	42,159	33,732
National Insurance scheme	126,005	112,170
Pension fund	27,034	43,275
Salaries	1,591,257	1,411,825
Sports day	140	-
Training	29,455	53,840
Uniforms	15,338	3,985
	<u>\$ 1,753,979</u>	<u>\$ 1,661,668</u>

33. Net Actuarial (Loss)/Gain on Employee Benefit Assets /Obligation:

	31 December	
	<u>2016</u>	<u>2015</u>
Actuarial (loss)/gain on Employee Benefit Asset	\$ (81,000)	\$ 1,399,000
Actuarial gain/(loss) on Employee Benefit Obligation	<u>52,000</u>	<u>(30,000)</u>
	<u>\$ (29,000)</u>	<u>\$ 1,369,000</u>