Financial Statements of

THE WESTERN KEYS LIMITED

December 31st, 2013

R. S. Baboolal & Co.
Chartered Certified Accountants

THE WESTERN KEYS LIMITED

December 31st, 2013

Table Of Contents

	Page
Statement Of Management Responsibilities	1
Auditors' Report	2 - 3
Statement Of Financial Position	4
Income And Expenditure Account and Statement Of Changes In Equity	5 - 7
Statement Of Cash Flows	8
Accounting Policies	9 - 11
Notes to the Financial Statements	12 - 14

a) Statement Of Compliance
b) Basis Of Preparation
c) Investment Property
d) Accounts Receivable
e) Income And Corporation Taxes
f) Currency
g) Revenue Recognition
h) Financial Instruments
i) Financial Risk Management
j) Cash And Cash Equivalents
k) Provisions
l) Comparative Figures
m) Use Of Estimates
n) Impairment
o) Critical Accounting Estimates And Judgements

1) Incorporation And Principal Activity
2) Investment Property
3) Accounts Receivable
4) Cash Investment
5) Amounts Due To Tenants
6) Accounts Payable And Accruals
7) Revenues
8) Green Fund Levy
9) Audit Fees Due
10) Employment Disclosure
11) Event's After The Statement of Financial Position Date

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the IFRS for SMEs. Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve (12) months from the date of this statement.

..... Director

..... Director

NOVEMBER 13, 2014.
Date

AUDITORS' REPORT TO: The Members of **THE WESTERN KEYS LIMITED**

We have audited the Statement of Financial Position of **THE WESTERN KEYS LIMITED** as at **31st December, 2013** and the accompanying Statement of Income and Expenditure, Changes In Equity and Statement of Cash Flows for the period then ended as set out on pages 4 to 14.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's). This responsibility includes;- designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion the accompanying financial statements present fairly in all material respects, the financial position of **THE WESTERN KEYS LIMITED** as at **31st December, 2013** and the results of its financial performance, changes in equity and cash flows for the year then ended, in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities.

OTHER MATTER

The Company's daily operations are dependent on the close and direct involvement of its Management. Our audit procedures revealed a lack of proper Accounting Systems and Internal Controls and as a result had to extend the audit scope and depth of our procedures in order to obtain the necessary assurance. We have also accepted certain assurances from management about the completeness of the accounting records and system of financial control.

R.S. Baboolal & Co.

R.S. Baboolal & Co.

Chaguanas, Trinidad, West Indies

Date 14th Nov. 2014

THE WESTERN KEYS LIMITED

Statement Of Financial Position

December 31st, 2013

(Expressed In Trinidad And Tobago Dollars)

	Notes	December 31st 2013	December 31st 2012
ASSETS		$	$
Non-Current Assets			
Investment Property	2, C	3	4
Accounts Receivable - Long Term	3, D	-	113,163
		3	113,167
Current Assets			
Accounts Receivable - Short Term	3, D	142,155	14,727
Cash Investment	4, J	27,226	47,598
		169,381	62,325
Total Assets		**169,384**	**175,493**
EQUITY AND LIABILITIES			
Reserve			
Accumulated Fund		103,179	100,377
		103,179	100,377
Current Liabilities			
Accounts Payable And Accruals	6	66,205	75,116
Total Equity And Liabilities		**169,384**	**175,493**

The Accounting Policies on pages 9 to 11 and the notes on pages 12 to 14 form an integral part of these financial statements. On the 12th day of November, 2014 the Board of Directors authorised these financial statements for issue and were signed on their behalf by,

Director

Director

THE WESTERN KEYS LIMITED

Income And Expenditure Account
December 31st, 2013
(Expressed In Trinidad And Tobago Dollars)

	Notes	December 31st 2013 $	December 31st 2012 $
Revenues			
Lease Rental Income	7, G	550	550
Maintenance And Service Charges	7, G	33,000	33,000
Interest Income	7, G	439	564
Other Income - Transfer to Accumulated Fund	7, G	2,252	3,189
Total Operating Income		**36,241**	**37,303**
General And Administrative, Financial, Professional And Legal Expenses	Schedule 1		
General and Administrative Expenses		26,157	17,267
Professional And Legal Fees		471	235
Total Expenses		**26,628**	**17,502**
Surplus For The Year		**9,613**	**19,801**
Amounts due to tenants	5	(6,811)	(16,061)
Amounts transferred to Acccumulated Fund		(2,252)	(3,190)
Surplus Retained In Accumulated Fund		**550**	**550**

THE WESTERN KEYS LIMITED

Statement Of Changes In Equity
December 31st, 2013
(Expressed In Trinidad And Tobago Dollars)

	Notes	ACCUMULATED FUND	TOTAL
		$	$
Balance At January 1st, 2012		96,637	96,637
Surplus For The Year		550	550
Transfer To Accumulated Fund		3,190	3,190
Balance At December 31st, 2012		100,377	100,377
Balance At January 1st, 2013		100,377	100,377
Surplus For The Year		550	550
Transfer To Accumulated Fund		2,252	2,252
Balance At December 31st, 2013		103,179	103,179

THE WESTERN KEYS LIMITED

Schedule To The Income And Expenditure Account

December 31st, 2013 **Schedule 1**

(Expressed In Trinidad And Tobago Dollars)

	Notes	December 31st 2013 $	December 31st 2012 $
General And Administrative Expenses			
Accounting Fees		9,146	1,500
Amortisation Charge - Investment Property		1	-
Audit Fees	9	5,000	5,000
Bad Debts Written-Off	3	-	-
Green Fund Levy	8, E	34	34
Lease Rental Payments		10	10
Meeting Expenses		-	2,967
Penalties & Interest		186	-
Repairs And Maintenance		5,350	6,600
Rates And Taxes		30	30
Service Charges		6,401	1,126
		26,157	**17,267**
Professional And Legal Expensees			
Professional Services		**471**	**235**
Total General And Administrative And Financial Expenses		**26,628**	**17,502**

THE WESTERN KEYS LIMITED

Statement Of Cash Flows

December 31st, 2013

(Expressed In Trinidad And Tobago Dollars)

	Notes	December 31st 2013 $	December 31st 2012 $
Cash Flows From Operating Activities			
Surplus For The Year		550	550
Adjustments For Non Cash Items			
Amortisation Charge - Investment Property	2, C	1	
Transfer to Accumulated Fund	6	2,252	3,189
		2,803	3,739
Adjustments To Reconcile Surplus to Cash (Deficit) / Surplus Generated From Operating Activities			
Decrease / (Increase) In Accounts Receivable	3, D	(14,264)	(1,703)
Increase / (Decrease) In Other Payables And Accruals	6	(8,911)	10,135
		(20,372)	12,171
Taxation Payments	8, E	-	-
Cash (Deficit) / Surplus Generated From Operating Activities		(20,372)	12,171
Investing Activities			
Cash Used In Investing Activities		-	-
Financing Activities			
Cash Surplus Generated From Financing Activities		-	-
(Decrease) / Increase In Cash And Cash Equivalents		(20,372)	12,171
Cash And Cash Equivalents - Beginning Of Year	4, J	47,598	35,427
Cash And Cash Equivalents - End Of Year		**27,226**	**47,598**
Analysis Of Cash And Cash Equivalents			
Cash Investment	4, J	27,226	47,598
		27,226	**47,598**

A. Statement of Compliance

These financial statements have in all material aspects been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) issued by the International Accounting Standards Board (IASB) and are presented in Trinidad and Tobago Dollars. These policies have been consistently applied to all the years presented unless otherwise stated.

B. Basis of Preparation

The preparation of Financial Statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SME's) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to these Financial Statements have been stated in notes (M, N & O) of the policies.

C. Investment Property

Investment property represents leasehold lands carried at amortized cost. Management considers that fairer presentation is achieved when the carrying value of the investment property represents the amortized value of the nominal consideration paid in accordance with the IFRS for SME's. The Investment property earns fixed long term rental yields for a limited term period and is further detailed in note 2 of the Financial Statements.

D. Accounts Receivable

Accounts receivable are recognised initially at invoice costs and are subsequently measured at net realisable cost using the initial invoice value less any provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable balance. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the accounts receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the amount deemed to be irrecoverable.

The carrying amount of the asset is reduced through the use of an allowance account with the amount of the loss recognised in the income statement within "administrative costs". Subsequent recoveries of amounts previously written off are credited against administrative costs in the income statement.

E. Income And Corporation Taxes

Income and Corporation Taxes (if any) are accounted for on the taxes payable basis where only taxes actually paid / payable for the period are charged to current operations. Accounting profits are adjusted for permanent and temporary timing differences in accordance with best practices and conventions adopted by the Board of Inland Revenue and reflect only that liability without reference to deferred taxation or potential taxation liability arising out of liquidation of assets of the Company. The Directors are of the opinion that the taxation policy adopted by the Company reflects substantially the Company's position.

The Company being a property management company (in addition to being limited by guarantee) is exempt from corporation tax given that it incurs neither a profit nor loss with any surpluses or shortfalls being absorbed by the Shareholders. As a result therefore no taxable provisions are made except for Green Fund Levy Liabilities. At the end of each financial year this policy is reviewed to ensure compliance with applicable legislation and to review the basis of preparation of the Financial Statements.

F. Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment which the entity operates (i.e. the functional currency) and the financial statements are presented in Trinidad and Tobago Dollars.

G. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Revenue is shown net of returns, rebates and discounts. Revenue is recognised when the amount of the revenue can be reliably measured and on the accrual basis. Revenue is derived primarily from lease rent and service charges levied to the townhouse owners in accordance with the respective deeds of sublease.

H. Financial Instruments

The fair value of cash and bank balances, receivables, payables and the current portion of financing and other liabilities approximates their carrying amounts due to the short term nature of these instruments. The fair value approximates the carrying amounts for non-current investments (if any).

I. Financial Risk Management

The Company's activities expose it to two types of risk; credit risk and liquidity risk;

a) **Credit Risk**

Credit Risk is managed on a customer to customer basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables and committed transactions.

The Company has no significant concentrations of credit risk.

b) **Liquidity Risk**

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

J. Cash And Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash balances held directly by the Company in addition to bank balances held at a local financial institution.

K. Provisions

Provisions are recognised when the Company has a present legal and construction obligation as a result of past events and where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

L. Comparative Figures

Certain of the comparative figures have been restated to conform to current years' presentation.

M. Use Of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and any adjustments that may be necessary will be reflected in the year in which actual results are known.

N. Impairment

At each Statement of Financial Position date the Company reviews the carrying amounts of its tangible and intangible assets (if any) to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value being pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the assets

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than the carrying amount of the asset (or cash generating unit) it is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the assets (or cash generating unit) in prior years, a reversal of impairment loss is recognised as income immediately.

O. Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results.

a) Income Taxes

The Company is subject to income taxes in Trinidad and Tobago as guided by the Miscellaneous Taxes Act.

b) Revenue Recognition

The Company declares its income based on the arrangements for determination of certain amounts to be billed to the townhouse owners as certified by the External Auditor and the budget prepared by Management. In assessing the risks involved, Management views the trend history of the tenants' payment cycle and reviews the tenancy position but relies heavily on the ability to recover any jeopardised income out of levy actions.

	December 31st	
	2013	2012
	$	$

1. Incorporation And Principal Activity

The Company was incorporated in the Republic of Trinidad and Tobago on 19th August, 1981 and has been continued under the New Companies Act of 1995 as amended by the Companies Amendment Act 1997, and is a Company limited by Guarantee. It's registered office is situate at Townhouse 7 Windsurf Road East, The Western Keys, Westmoorings by-the-sea, Carenage.

The Company's principal activities are to oversee the operation and maintenance of the common areas including certain other obligations particular to gated community development known as The Western Keys. By Deed of sublease dated 7th November, 1986, The Western Keys Limited came into possession of the reversionary interest in the property as conveyed by Westmoorings Limited (the Developer and Lessor), for a nominal consideration of Five Trinidad and Tobago Dollars (TT$5.00) and is subsequently reflected at amortised cost. The development also forms part of a larger gated community development known as Westmoorings by-the-sea and is overseen by Westmoorings Gardens Limited.

The company's operations are to oversee the common areas of the larger property which comprises fifty-five (55) townhouses. The property consists of roads, reserves, gardens and drainage infrastructure which The Western Keys Limited is covenanted to maintain by virtue of the aforementioned deed of sublease. All of the obligations of the lessor has been assumed by The Western Keys Limited.

For the current reporting period, headings and references made to profit and loss has been changed to "Income and Expenditure" in properly addressing the true nature and intent of the company as a not for profit entity.

2. Investment Property

Standing to account at year end	3	4

By deed of assignment dated 7th November 1986, The Western Keys Limited came into possession of the common areas in the leased property as conveyed by Westmoorings Limited (the Developer and Lessor) for a nominal consideration of Five Trinidad and Tobago Dollars (TT$5.00). The common areas in the property comprises roads, reserves, drains, gardens and forms part and parcel of the larger leased property which comprises some 2 acres in total and carrying 99 year lease terms commencing from 11th February, 1977, less four (4) days. In accordance with the IFRS for SME's, Management has the option to measure the asset at fair value but have elected to adopt the amortised cost model in the financial statements.

3. Accounts Receivable

Gross receivables at year end - 100% Local	148,966	143,952
Amounts Refunded to Tenants	(6,811)	(16,061)
	142,155	**127,891**

The Receivables are stated at gross amounts and is representative of service charges and lease rental billings to the tenants. The accounts receivable is split into its relative long term and short term portions which reflect amounts which are due and have been settled 12 months after the year end and amounts which are due and have been settled for a period greater than 12 months after the year end. There have been no doubtful debt provisions for the current nor comparative perod.

	December 31st	
	2013	2012
	$	$
3. Accounts Receivable - Continued		
Split as follows:-		
Long Term Portion	-	113,163
Short Term Portion	142,155	14,727
4. Cash Investment		
Standing to account at year end	27,226	47,598

The amount represents the balance on a money market investment account held at the Trinidad and Tobago Unit Trust Corporation and carries an effective interest rate of 1.07%. Receipts from service charges paid by townhouse owners are credited to the account and is also used to fund the expenditures incurred by the company. The Company does not operate any overdraft facility with the institution and the account balance remain unencumbered.

5. Amounts Due To Tenants		
Surplus refunded for the year	6,811	16,061

An account has been taken with respect to the costs, charges and expenses for the period in accordance with clause 8, 9 and 10 of the seventh schedule of the deed of sub-lease for the townhouse owners and the amounts certified as being due to them has been credited to their respective receivable balances (if any) in accordance with clause 2 (b) of the sixth schedule to the deed of sub-lease. The amount due for tenants have also been reflected in the income and expenditure account.

6. Accounts Payable And Accruals		
Amounts Due To Westmoorings Gardens Limited	17,827	18,760
Accounts Payable And Accruals	48,378	56,356
	66,205	75,116

The Western Keys Limited forms part and parcel of a larger estate known as Westmoorings-by-the-sea. The entire estate is overseen by Westmoorings Gardens Limited (WGL) who is primarily responsible for its general upkeep and maitenance. WGL invoices The Western Keys Limited together with other tenants for service charges for the upkeep and maintenance of the roads, reserves, gardens and parks of the larger estate in accordance with the terms and conditions of the deed of leases between Westmoorings Limited, Westmoorings Gardens Limited, The Western Keys Limited and others. Other accounts payable and accruals represents amounts incurred during the normal course of business and largely relates to expenditure.

7. Revenues		
(a) Lease Rental Income	550	550
(b) Maintenance And Service Charges	33,000	33,000
(c) Interest Income	439	564
(d) Other Income - Transfer to Accumulated Fund	2,252	3,189
	36,241	37,303

	December 31st	
	2013	2012
	$	$

7. Revenues - Continued

a) Lease Rental Income accrues at the rate of Ten Trinidad and Tobago Dollars (TT$10) per townhouse on the January 1st each year and is levied in accordance with Clause F of the Deed of Sub-Lease.

b) Maintenance and service charges are levied in advance on fifty-five (55) townhouses at a rate of $600 per annum and is billed to fund the operating activities of the company.

c) The interest earned in a Cash Investment held at the Unit Trust Corporation Account, is reflected in this balance. For the reporting period the effective interest rate was 1.07%.

d) Additions to the accumulated fund (other income) are appropriated out of surplus payments remitted by townhouse owners who have sold their properties and treated with in the income and expenditure account.

8. Green Fund Levy

Green Fund Levy Due	34	34

The Western Keys Limited being a company limited by guarantee, and activities of which do not revolve around commercial or similar trading activities that give rise to taxable profits, is deemed to be exempt from Corporation Tax. No account has been taken with respect to tax provisions in this regard save and except for Green Fund Levy liabilities which falls under the Miscellaneous Taxes Act. Any activity undertaken by the Company is done on the basis of securing the interests of its members and any surplus earned is refunded in the proportionate amount, and conversely with respect to shortfalls being collected in accordance with clause 6 of the Deed of sub-lease.

9. Audit Fees

Amounts due for the reporting periods	5,000	5,000

10. Employment Disclosure

As at the Statement Of Financial Position Date the Company's employment structure was as follows :

Part Time - Casual	1	1
Part Time - Directors	5	3
Disabled	-	-
	6	4
Total Value Of Vacation Leave Due	Nil	Nil

11. Events After The Statement of Financial Position Date

These financial statements were approved by the board of Directors' on the 13th of November, 2014 and from the closure of the company's financial period ended December 31st, 2013 to the date of signing these accounts, there were no post Statement of Financial Position events (adjusting or non-adjusting) which are required to be accounted for or disclosed in the financial statements based on Management's representations.