

WESTMOORINGS GARDENS LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2017

WESTMOORINGS GARDENS LIMITED

Table of Contents

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Page</u>
<u>Statement of Management Responsibilities</u>	3
<u>Independent Auditor's Report</u>	4 - 5
<u>Statement of Financial Position</u>	6
<u>Statement of Income and Expenditure</u>	7
<u>Statement of Changes in Equity</u>	8
<u>Statement of Cash Flows</u>	9
<u>Schedules to the Statement of Income and Expenditure</u>	10
<u>Notes to the Financial Statements</u>	11-20
1) Incorporation and principal activity	9) Deferred revenue
2) Significant accounting policies, judgements, estimates and assumptions	10) Other payables and accruals
3) Critical accounting estimates and judgements and key sources of estimation uncertainty	11) Revenues
4) Property, plant and equipment	12) Miscellaneous taxes due
5) Investment property	13) Audit fees
6) Accounts receivable	14) Special reserve
7) Cash Investment	15) Windsurf park development fund
8) Cash at bank	16) General reserve
	17) Employment disclosure
	18) Compensation of key management personnel
	19) Events after the reporting period

WESTMOORINGS GARDENS LIMITED
Statement of Management Responsibilities
For the year ended 31st December 2017
(Amounts expressed in Trinidad & Tobago Dollars)

The audited financial statements of **Westmoorings Gardens Limited** (the 'Company') for the year ended **31st December 2017** were prepared by management who is responsible for the integrity and fairness of the information presented.

Management acknowledges its responsibility for:

- a) The preparation of the audited financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended **31st December 2017** together with the summary of significant accounting policies, notes and other explanations.
- b) Establishing and maintaining an adequate internal control structure, procedures, accounting records for financial reporting (which form the basis of the audited financial statements) and safeguarding the assets of the company.
- c) Applying the appropriate accounting policies in a consistent manner and calculating reasonable accounting estimates and prudent judgements.
- d) Ensuring that the audited financial statements presented are a true and fair presentation of the state of affairs of the company, which includes ensuring that the information from which the audited financial statements are derived is structured and adequately assessed to ensure that the system of internal controls operated effectively during the reporting period.
- e) On a continuous basis where applicable, implementing, monitoring and evaluating the system of internal controls that assures the security of the company's assets, detection and prevention of material misstatement, whether due to fraud or error and the achievement of the company's operational efficiencies.

These audited financial statements of **Westmoorings Gardens Limited** are prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB – IFRS Foundation) and adopted by the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) and the appropriate accounting policies have been established in a manner which gives a true and fair view of the company's affairs and operating results.

Where IFRS for SMEs provided alternative accounting treatments, management selected those considered most appropriate in the circumstances. These audited financial statements complies in all material respects with local legislation enacted and in force.

Further, no event, circumstance or information has been brought to the attention of management that compromises the company's status as a going concern for the next twelve (12) months from the date of this statement.

.....
Director

.....
Director

.....
Date

.....
Date

WESTMOORINGS GARDENS LIMITED

Statement of Financial Position

As at 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

Assets	Notes	2017	2016
		(\$)	(\$)
<u>Non-current Assets</u>			
Investment Property	5	1	1
Property, Plant And Equipment	4,c	410,716	340,985
		<u>410,717</u>	<u>340,986</u>
<u>Current Assets</u>			
Accounts Receivable	6,d	177,411	210,219
Other Current Assets	6,d	2,730	3,532
Cash Investment	7,f	74,075	71,017
Cash At Bank	8,f	84,867	64,111
		<u>339,083</u>	<u>348,879</u>
<u>Total Assets</u>		<u>749,800</u>	<u>689,865</u>
<u>Equity And Liabilities</u>			
<u>Reserves</u>			
Special Reserve	14	108,314	108,314
General Reserve	16	557,828	508,645
Windsurf Park Development Fund	15	52,843	50,643
Accumulated Fund		-	-
		<u>718,985</u>	<u>667,602</u>
<u>Current Liabilities</u>			
Deferred Income	9	11,125	8,125
Other Payables And Accruals	10,e	19,690	14,138
		<u>30,815</u>	<u>22,263</u>
<u>Total Equity And Liabilities</u>		<u>749,800</u>	<u>689,865</u>

The accompanying notes form an integral part of these financial statements. These financial statements of Westmoorings Gardens Limited were approved and authorized for issue by the Board of Directors on the ____ day of _____ 2018 and were signed on their behalf by

Director

Director

WESTMOORINGS GARDENS LIMITED

Statement of Income and Expenditure

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
<u>Operating Revenue</u>			
Advertising Income	11,i	19,500	17,145
Lease Rental Income	11,i	1,680	1,680
Maintenance And Service Charges	11,i	273,800	260,490
Other Income	11,i	96,749	107,588
<u>Total Operating Income</u>		<u>391,729</u>	<u>386,903</u>
<u>Operating Expenses</u>			
General And Administrative Expenses	Schedule 1	(237,185)	(298,072)
Financial Expenses		(346)	(287)
Professional And Legal Fees		(102,815)	(77,901)
<u>Total General And Administrative Expenses</u>		<u>(340,346)</u>	<u>(376,260)</u>
<u>Surplus For The Year</u>		<u>51,383</u>	<u>10,643</u>
<u>Represented By</u>			
Surplus For The Year – As Above		51,383	10,643
Capital Expenditure – Windsurf Park Development Fund		-	40,000
Additions To Windsurf Park Development Fund		(2,200)	(3,000)
Transfer From General Reserve		24,958	19,110
<u>Net Surplus Retained</u>		<u>74,141</u>	<u>66,753</u>
<u>Comprised Of</u>			
Surplus Retained – Capital Expenditure (Net)		69,731	61,541
Surplus Retained – Prepayments		2,730	3,532
Lease Rental Income		1,680	1,680
		<u>74,141</u>	<u>66,753</u>

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Statement of Changes In Equity

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>Special Reserve</u>	<u>General Reserve</u>	<u>Windsurf Park Development Fund</u>	<u>Accumulated Fund</u>	<u>Total</u>
		<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Balance At January 1st, 2016</u>		108,314	461,002	87,643	-	656,959
Surplus For The Year		-	-	-	10,643	10,643
Transfer To Accumulated Fund		-	-	(40,000)	40,000	-
Additions To Windsurf Park Fund	15	-	-	3,000	(3,000)	-
Additions To General Reserve (net)	16	-	47,643	-	(47,643)	-
<u>Balance At December 31st, 2016</u>		108,314	508,645	50,643	-	667,602
<u>Balance At January 1st, 2017</u>		108,314	508,645	50,643	-	667,602
Surplus For The Year		-	-	-	51,383	51,383
Additions To Windsurf Park Fund	15	-	-	2,200	(2,200)	-
Additions To General Reserve (net)	16	-	49,183	-	(49,183)	-
<u>Balance At December 31st, 2017</u>		108,314	557,828	52,843	-	718,985

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Statement of Cash Flows

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

	Notes	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
<u>Cash Flows From Operating Activities</u>			
Surplus Before Taxation		51,383	10,643
<u>Adjustments For Non-cash Items</u>			
Depreciation Charges	4,c	52,624	38,033
<u>Cash Surplus Arising From Operating Activities</u>		<u>104,007</u>	<u>48,676</u>
<u>Adjustments To Reconcile Cash Surplus Provided By Operating Activities</u>			
Decrease In Accounts Receivable	6,d	32,808	40,526
Decrease / (Increase) In Other Receivables And Prepayments	6,d	802	(964)
Increase In Other Payables And Accruals	10,e	8,552	1,674
<u>Net Cash Provided By Operating Activities</u>		<u>146,169</u>	<u>89,912</u>
Taxation Paid		-	-
<u>Cash Surplus From Operating Activities</u>		<u>146,169</u>	<u>89,912</u>
<u>Investing Activities</u>			
Acquisition Of Property, Plant And Equipment	4,c	(122,355)	(99,924)
<u>Cash Used In Investing Activities</u>		<u>(122,355)</u>	<u>(99,924)</u>
<u>Financing Activities</u>			
Funding By Windsurf Park Committee	15	-	-
<u>Cash Generated From Financing Activities</u>		<u>-</u>	<u>-</u>
Increase / (Decrease) In Cash And Cash Equivalents	8,f	23,814	(10,012)
Cash And Cash Equivalents – Beginning of Year		135,128	145,140
<u>Cash And Cash Equivalents – End of Year</u>		<u>158,942</u>	<u>135,128</u>
<u>Analysis Of Cash And Cash Equivalents</u>			
Cash Investment	7,f	74,075	71,017
Cash At Bank	8,f	84,867	64,111
		<u>158,942</u>	<u>135,128</u>

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Schedule to the Statement of Income and Expenditure

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

	<u>Notes</u>	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
<u>General And Administrative Expenses – Schedule 1</u>			
Accounting Fees		13,800	13,800
Advertising And Promotions		-	120
Audit Fees	13	10,125	10,125
Depreciation	4	52,624	38,033
Electricity Charges		6,254	6,239
Insurances		3,752	3,708
Lease Rental Payments		62	-
Maintenance Services And Expenses – Common Areas		81,097	124,739
Maintenance Services And Expenses – Park		14,834	41,932
Maintenance Services And Expenses – Tennis Court		8,809	7,836
Meeting Expenses		2,491	2,405
Miscellaneous Expenses		-	500
Miscellaneous Taxes	12	1,474	1,161
National Insurance Payments		5,620	6,139
Office Expenses		12,265	18,161
Penalties And Interest		107	340
Repairs And Maintenance Of Equipment		13,453	14,359
Telephone Expenses		8,190	5,084
Uniforms		-	512
Utilities		1,215	2,584
Website Costs		1,013	295
<u>Total General And Administrative Expenses</u>		<u>237,185</u>	<u>298,072</u>
<u>Financial Expenses</u>			
Bank Charges		<u>346</u>	<u>287</u>
<u>Financial Expenses</u>			
Compensation of Key Management Personnel	17	97,500	72,900
Professional Services		5,315	5,001
		<u>102,815</u>	<u>77,901</u>
<u>Total General And Administrative And Financial Expenses</u>		<u>340,346</u>	<u>376,260</u>

The accompanying notes form an integral part of these financial statements

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

1. Incorporation and principal activity

The Company was initially incorporated in the Republic of Trinidad and Tobago on 1st May, 1979 and has been continued under the New Companies Act of 1995 as amended by the Companies Amendment Act 1997 on 12th April, 1999 and is a Company limited by Guarantee. It's registered office is situate at No. 7 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 a gated community development known as Westmoorings by-the-sea. By Deed of assignment dated March 27th, 2001, Westmoorings Gardens 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 \$1.00.

The common areas of the larger property comprises 159 residential land lots and 9 townhouse plots of varying sizes (160 residential lots and 8 townhouse plots in the previous period). The property consists of roads, road reserves, gardens and drainage infrastructure which Westmoorings Garden's Limited is covenanted to maintain by virtue of the aforementioned deed of Assignment. All of the obligations of the lessor have been assumed by Westmoorings Gardens 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. Significant accounting policies, judgements, estimates and assumptions

a) Statement of compliance

These financial statements have 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 and effective for the year ended **31st December 2017**. The accounting policies that follow have been consistently applied to all the years presented.

b) Basis of preparation

Assets and liabilities are recorded on the historical cost bases except for available for sale investments that are measured at fair values at the end of the reporting period. Historical costs are generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses where necessary. The expected useful lives of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

Provision for depreciation, depletion and amortisation of property, plant and equipment is calculated on the reducing balance method utilising rates, which are sufficient to write off the depreciable amount of the assets over their estimated useful life as follows:

Leasehold improvements	10%
Office building	10%
Maintenance and office equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date or where changes in circumstances indicate that impairment may have occurred. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carry amount is greater than its estimated recoverable amount.

Cost of borrowing, for acquisition of property, plant and equipment are expensed as they are incurred.

Repairs and renovation costs are normally expensed as they are incurred. Expenses are reposted as assets only if the amounts involved are substantial and one or more of the following conditions are satisfied: the original used life is prolonged, the production capacity is increased, the quality of the products is enhanced materially or the production costs are reduced considerably.

An item of property, plant and equipment is derecognised upon disposal or when the future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss and other comprehensive income in the period in which the item is derecognised.

d) Accounts and other receivables

Accounts and other receivables 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 receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the accounts receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of loss recognised in the statement of income and expenditure within 'administrative and general expenses'. When a receivable is uncollectible, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited against 'administrative and general expenses' in the statement of profit or loss and other comprehensive income. Other receivables are measured at cost less any impairment

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

e) Accounts and other payables

Accounts and other payables are recognised initially at fair value based on the original invoice and subsequently measured at amortised cost.

f) Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, and other short-term highly liquid investments (if any) which are subsequent to an insignificant risk of changes in value.

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be immaterial.

h) Taxation

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 members. 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.

i) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services or the holding of investments 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 rents charged to the townhouse and residential lot owners and service charges levied on the lots for maintenance services.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

2. Significant accounting policies, judgements, estimates and assumptions (continued)

j) Other financial liabilities

Other financial liabilities are initially measured at transaction price, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method

k) Financial Instruments

The methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practical to estimate a value, are as follows:

- Short term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable, accounts payable, investment and loans are a reasonable estimate of their fair values because of the short term maturity of the estimate.

- Long term financial assets and liabilities

The fair value of medium and long-term financial assets and liabilities approximates their carrying amounts.

l) 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 member to member basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to members 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 marketable securities 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.

m) Investment Property

Investment Property represents leasehold lands carried at cost with no provision for amortization. Management considers that fairer presentation is achieved when the carrying value of the lease represents the full value of the nominal consideration paid. The Investment Property earns fixed long term rental yields for a limited term period and is further detailed in note 5 of the Financial Statements.

n) 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.

o) Comparative figures

Comparative figures are restated to conform to current years' presentation if required and are usually disclosed separately in the general notes to the financial statements. Details stating the prior period balance in addition to the impact of the restatement is also disclosed. There have been no restatement of comparative figures for the reporting period.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

3. Critical accounting estimates, assumptions and judgements and key sources of uncertainty

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 not subject to income taxes under the Income Tax Act in Trinidad and Tobago but is subject to levy and other statutory dues 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 lot 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.

4. Property, Plant And Equipment

	<u>LEASEHOLD IMPROVEMENTS</u>	<u>OFFICE BUILDING</u>	<u>MAINTENANCE AND OFFICE EQUIPMENT</u>	<u>TOTAL</u>
	\$	\$	\$	\$
<u>Year Ended 31st December, 2017</u>				
Opening Net Book Value	195,892	118,125	26,968	340,985
Additions And Other Adjustments	61,717	-	60,638	122,355
Disposals	-	-	-	-
Depreciation	(23,963)	(11,813)	(16,848)	(52,624)
<u>Closing Net Book Value</u>	233,645	106,312	70,758	410,716
<u>Year Ended 31st December, 2017</u>				
Cost/Valuations	285,657	135,000	101,047	521,703
Accumulated Depreciation	(52,012)	(28,688)	(30,289)	(110,989)
<u>Closing Net Book Value</u>	233,645	106,312	70,758	410,716
<u>Year Ended 31st December, 2016</u>				
Opening Net Book Value	135,632	131,625	11,837	279,094
Additions And Other Adjustments	80,181	-	19,743	99,924
Disposals	-	-	-	-
Depreciation	(19,921)	(13,500)	(4,612)	(38,033)
<u>Closing Net Book Value</u>	195,892	118,125	26,968	340,985
<u>Year Ended 31st December, 2016</u>				
Cost/Valuations	223,941	135,000	40,409	399,350
Accumulated Depreciation	(28,049)	(16,875)	(13,441)	(58,365)
<u>Closing Net Book Value</u>	195,892	118,125	26,968	340,985

The company benefitted from an office building measuring approximately 650 sq. ft. constructed on Windsurf Park and gifted with free and clear title by the Ministry of Works & Infrastructure in a previous financial period. The amount capitalised represents the net market value of the asset gifted and which the Board of Director's have agreed to recognise as the value of the gift received. Capital improvements made to the leasehold property (common areas) have also been capitalized and depreciated accordingly.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

5. Investment Property

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Standing to account at year end	<u>1</u>	<u>1</u>

By deed of assignment dated 27th March 2001, Westmoorings Gardens 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 \$1.00. The common areas in the property comprises approximately 12.68 Acres of roads, road reserves, drains, designated green areas etc and is reflected at cost. The leased property comprises several parcels with 99 year lease terms ranging from year 1981 – 1987 and expiring on year 2080 – 2086. No amortisation is provided on the lease as management considers that fairer presentation is achieved when the carrying value of the lease represents the full value of the nominal consideration paid.

6. Accounts Receivable

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Gross receivables at year end – 100% Local	<u>177,411</u>	<u>210,219</u>

The Receivables are stated at gross amounts and is representative of service charges and lease rental billings to the land owners / tenants (lessees). Service charges are billed to the residential lots as well as two thirds the number of townhouses on each townhouse plot. Lease rents are billed to both the residential lots as well as the Townhouse plots. There were no doubtful debt provision for the reporting year nor its comparative period.

7. Cash Investment

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Standing to account at year end	<u>74,075</u>	<u>71,017</u>

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% for both periods. Contributions to the account and redemptions are at the discretion of management and is usually made when surplus cash is available or short term cash funding is required.

Funds granted by Windsurf Park Committee to the company for the upkeep and maintenance of Windsurf Park as it relates to items of capital expenditure has been deposited into this account.

8. Cash At bank

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Bank balance – commercial chequing and savings account	<u>84,867</u>	<u>64,11</u>

This sum represents the bank balance held at a local bank and denominated in Trinidad and Tobago currency. It comprises a commercial chequing account used by the Company in its daily operations. The Company does not operate any financing or overdraft facility with the bank and the account balance remain unencumbered.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

9. Deferred Revenue

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Balance standing to account at year end	<u>11,125</u>	<u>8,125</u>

The company engages in the letting of park benches for the placement of corporate advertisements in an effort to raise funds towards the offsetting of recurrent expenditure. The amount stated represents the deferred portion of the earnings in accordance with the respective advertising contracts.

10. Other Payables and Accruals

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Balance standing to account at year end	<u>19,690</u>	<u>14,138</u>

11. Revenues

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
(a) Lease rental income	1,680	1,680
(b) Maintenance and service charges	273,800	260,490
(c) Other income and interest earned	94,549	107,588
(d) Advertising income	19,500	17,145
	<u>389,529</u>	<u>386,903</u>

(a) Lease Rental Income accrues at the rate of \$10 per residential lot (159) / townhouse plot (9) on the 1st January 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 159 residential lots as well as two thirds the number of townhouses (297) on each townhouse plot at the rate of \$600 per annum and is billed to fund the operating activities of the Company. The fee has been instituted by an approved budget adopted by the Board and is levied in accordance with clause 5 of the Deed of Sub-Lease.

(c) The interest earned for the financial year in a Cash Investment held at the Trinidad & Tobago Unit Trust Corporation is reflected in this balance together with other income earned from donations received and other corporate fund raising activities.

(d) WGL continued the letting of park benches via the placement of signs to local businesses to facilitate the advertising of their products and services at an annual rental fee. The funds collected are intended to offset the costs incurred by the company with respect to the upkeep and maintenance of Westmoorings by-the-sea.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

12. Miscellaneous Taxes Due

	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Green fund levy due	<u>1,474</u>	<u>1,165</u>

Westmoorings Gardens Limited being a company limited by guarantee, and whose activities do not revolve around commercial or similar trading undertakings that give rise to taxable profits, is deemed to be exempt from Corporation Tax. No account has been taken with respect to tax provisions 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 in accordance with their obligations under the deed of sub-lease and any surplus earned is refunded in the proportionate amount, and conversely with respect to shortfalls being collected in accordance with clause 5 of the Deed of sub-lease.

13. Audit Fees Due

	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Amounts due and paid for the reporting periods	<u>10,125</u>	<u>10,125</u>

14. Special Reserve

	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Opening balance bfwd	108,314	108,314
Transfers to reserve for the period	-	-
	<u>108,314</u>	<u>108,314</u>

By resolution of the Board of Directors dated 7th August 2013 and based upon management committee's recommendations a Special Reserve was established in order to fund certain operations of the company that was not envisaged within the company's normal activities. The reserve is increased only when the company has earned a surplus after tax of 100% of the profits retained from **extra-ordinary activities** designated by management and which does not fall within the scope of general property management. These may be in the form of fundraisers other such extraordinary activities. There was no movement attributable to this account for the respective periods.

No distribution is to be made out of this fund as payments, transfers, dividends etc. to the members of the company.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

15. Windsurf Park Development Fund

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Opening balance b/w/d	50,643	87,643
Expenditure relating to Windsurf Park	-	(40,000)
Addition to fund	2,200	3,000
	<u>52,843</u>	<u>50,643</u>

In May 2013, Westmoorings Gardens Limited (WGL) assumed the responsibilities for the maintenance and upkeep of Windsurf Park. An obligation that was previously held by Windsurf Park Committee. The Committee was initially established to oversee the operations for the maintenance and upkeep of Windsurf Park situate within the development and has since been disbanded. On assuming the responsibility by WGL, Windsurf Park Committee granted a sum of money on the condition that same be used specifically for the upkeep of Windsurf Park with respect to items of a capital nature. The balance on the account represents the residual funds after deduction of expenditures relating directly to Windsurf Park.

No distribution is to be made out of this fund as payments, transfers, dividends etc. to the members of the company and is to be used specifically to fund items of capital expenditure relating to Windsurf Park. The fund is not to be used for routine general maintenance.

16. General Reserve

At the statement of financial position date the Company's employment structure as follows:

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Opening balance b/w/d	508,645	461,002
(a) Amounts appropriated out of surplus for the year	4,410	5,562
(b) Amounts retained relating to capital expenditure	122,355	99,924
(c) Depreciation	(52,624)	(38,033)
	<u>582,786</u>	<u>527,755</u>
(d) Transfer to accumulated fund	(24,958)	(19,110)
	<u>557,828</u>	<u>508,645</u>

By a resolution of the Board of Directors dated 9th June 2014 and based upon the management committee's recommendations, a General Reserve was established in order to fund certain operations of the company that was not envisaged within the company's normal activities and to make same available for utilization in the discharge of unplanned and unforeseen obligations that transcends its normal operations as the property management company.

- a) Management has appropriated a fixed sum in the amount stated from the tenants' account relating to lease rental income and prepayments.
- b) Amounts retained in respect of capital expenditure incurred have been appropriated from the tenants' account and included in the General Reserve.

WESTMOORINGS GARDENS LIMITED

Notes to the Financial Statements

For the year ended 31st December 2017

(Amounts expressed in Trinidad & Tobago Dollars)

16. General Reserve – (continued)

- c) Depreciation in relation to capital expenditure have been appropriated and transferred out of the General Reserve.
- d) An amount has been appropriated out of the general reserve in order to settle the deficit arising for the financial periods depicted since management have resolved to not pursue recoveries in accordance with Clause 5, A & B of the various deeds of sub-lease. A supplemental minute of the Board of Directors exist in context of this undertaking.

17. Employment Disclosure

At the statement of financial position date the company's employment structure was as follows:

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Part time - casual	1	1
Part time - directors	14	13
Disabled	-	-
	<u>15</u>	<u>14</u>
Total value of vacation leave due	<u>-</u>	<u>-</u>

18. Compensation of Key Management Personnel

	<u>2017</u> <u>(\$)</u>	<u>2016</u> <u>(\$)</u>
Total remuneration paid at year end	<u>97,500</u>	<u>72,900</u>

An amount is paid to a property manager for her part time services rendered to the company via fixed monthly payments.

19. Events after the reporting period

There were no subsequent events occurring after the reporting date that significantly impacted the financial performance, position or cash flows or going concern concept which require disclosure.