

Financial Statements of

SCHOONER COURT

December 31st, 2017

R. S. Baboolal & Co.
Chartered Certified Accountants

SCHOONER COURT

December 31st, 2017

Table Of Contents

	Page
<u>Statement Of Management Responsibilities</u>	1
<u>Auditor's Report</u>	2 - 3
<u>Statement Of Financial Position</u>	4
<u>Income And Expenditure Account and Statement Of Changes In Equity</u>	5 - 7
<u>Statement Of Cash Flows</u>	8
<u>Accounting Policies</u>	9 - 11
a) Statement Of Compliance	i) Financial Risk Management
b) Basis Of Preparation	j) Cash And Cash Equivalents
c) Investment Property	k) Investments
d) Accounts Receivable	l) Provisions
e) Income And Corporation Taxes	m) Comparative Figures
f) Currency	n) Use Of Estimates
g) Revenue Recognition	o) Impairment
h) Financial Instruments	p) Critical Accounting Estimates And Judgements
<u>Notes to the Financial Statements</u>	12 - 15
1) Incorporation And Principal Activity	8) Revenues
2) Investment Property	9) Green Fund Levy
3) Accounts Receivable	10) Gain On Available For Sale Investments
4) Cash At Bank	11) Audit Fees Due
5) Available For Sale Investments	12) Employment Disclosure
6) Amounts Due From Tenants	13) Events After The Statement of Financial Position Date
7) Accounts Payable And Accruals	

Statement of Management Responsibilities

The audited financial statements of **Schooner Court** (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 income and expenditure, 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 **Schooner Court** are prepared in accordance with the 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 the 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

.....
Date

19th February 2019



INDEPENDENT AUDITOR'S REPORT

To the members of **SCHOONER COURT**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of **Schooner Court** (the Company), which comprise the statement of financial position as at December 31st 2017, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at December 31st 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad & Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw your attention to note 3 of the financial statements, which describes management's position in respect of the reported balances relating to accounts receivable. Management does not consider it necessary to provide for impairment of accounts receivable balances owing to the provisions in the various deeds of sub-lease executed with the lessees, which gives management the legal right to collect on the various debts without deduction or set-off. Management have also considered the nature of the company's operations in making this assessment whereby it is normal for aged debts to be settled after a lengthy period. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA's 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

R.S. Baboolal & Co.

.....
R.S. Baboolal & Co.
Chaguanas, Trinidad & Tobago
19th February 2019

REGISTERED AUDITORS AND ACCOUNTANTS

SCHOONER COURT**Statement Of Financial Position****December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)****4**

		December 31st	
	Notes	2017	2016
<u>ASSETS</u>		\$	\$
<u>Non-Current Assets</u>			
Investment Property	2, C	4	4
Available For Sale Investments	5, K	22,912	22,520
Accounts Receivable - Long Term	3, D	144,852	108,034
		<u>167,768</u>	<u>130,558</u>
<u>Current Assets</u>			
Accounts Receivable - Short Term	3, D	4,083	26,212
Cash At Bank	4, J	8,480	14,383
		<u>12,563</u>	<u>40,595</u>
<u>Total Assets</u>		<u>180,331</u>	<u>171,153</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Reserve</u>			
Accumulated Fund		134,903	134,143
		<u>134,903</u>	<u>134,143</u>
<u>Current Liabilities</u>			
Accounts Payable And Accruals	7	45,428	37,009
<u>Total Equity And Liabilities</u>		<u>180,331</u>	<u>171,153</u>

The Accounting Policies on pages 9 to 11 and the notes on pages 12 to 15 form an integral part of these financial statements. On the 19th day of February, 2019 the Board of Directors authorised these financial statements for issue and were signed on their behalf by,



Director

SCHOONER COURT**Income And Expenditure Account****December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)****5**

		December 31st	
	Notes	2017	2016
		\$	\$
<u>Revenues</u>			
Lease Rental Income	8, G	760	760
Maintenance And Service Charges	8, G	63,316	63,316
Other Income	6, 8, G	178	-
<u>Total Operating Income</u>		<u>64,254</u>	<u>64,076</u>
<u>General And Administrative, Financial,</u>			
	Schedule 1		
General and Administrative Expenses		39,054	38,379
Financial Expenses		533	497
Professional And Legal Fees		1,125	2,353
<u>Total Expenses</u>		<u>40,712</u>	<u>41,229</u>
<u>Surplus For The Year</u>		<u>23,542</u>	<u>22,847</u>
Gain On Available For Sale Investment	5, 10, G	392	336
Amounts Due To Tenants		(23,174)	(22,422)
Amounts Transferred to Accumulated Fund		-	-
<u>Surplus Retained In Accumulated Fund</u>		<u>760</u>	<u>760</u>

SCHOONER COURT

6

Statement Of Changes In Equity**December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)**

		<u>ACCUMULATED</u>	<u>TOTAL</u>
		<u>FUND</u>	
	<u>Notes</u>	<u>\$</u>	<u>\$</u>
<u>Balance At January 1st, 2016</u>		133,383	133,383
Surplus For The Year		760	760
Transfer To Accumulated Fund		(336)	(336)
Gain On Available For Sale Investments		336	336
<u>Balance At December 31st, 2016</u>		<u>134,143</u>	<u>134,143</u>
<u>Balance At January 1st, 2017</u>		134,143	134,143
Surplus For The Year		760	760
Transfer To Accumulated Fund		(392)	(392)
Gain On Available For Sale Investments		392	392
<u>Balance At December 31st, 2017</u>		<u>134,903</u>	<u>134,903</u>

SCHOONER COURT

7

Schedule To The Income And Expenditure Account**December 31st, 2017****Schedule 1****(Expressed In Trinidad And Tobago Dollars)**

	Notes	December 31st	
		2017	2016
		\$	\$
<u>General And Administrative Expenses</u>			
Audit Fees	11	6,750	6,750
Green Fund Levy	9, E	124	127
Lease Rental Payments		10	10
Repairs And Maintenance - Landscaping		1,760	2,560
Service Charges		30,410	28,932
		<u>39,054</u>	<u>38,379</u>
<u>Financial Expenses</u>			
Bank Charges		<u>533</u>	<u>497</u>
<u>Professional And Legal Expensees</u>			
Professional Services		<u>1,125</u>	<u>2,353</u>
<u>Total General And Administrative And Financial Expenses</u>		<u><u>40,712</u></u>	<u><u>41,229</u></u>

SCHOONER COURT

8

Statement Of Cash Flows**December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)**

		December 31st	
	Notes	2017	2016
		\$	\$
<u>Cash Flows From Operating Activities</u>			
Surplus For The Year		760	760
<u>Adjustments For Non Cash Items</u>			
Gain On Available For Sale Investment		392	336
Transfer to Accumulated Fund	8	(392)	(336)
		760	761
<u>Adjustments To Reconcile Surplus to Cash Generated</u>			
(Increase) / Decrease In Accounts Receivable	3, D	(14,689)	935
Increase In Other Payables And Accruals	7	8,419	7,909
		(5,511)	9,605
<u>Taxation Payments</u>	9, E	-	-
<u>Cash (Deficit) / Surplus Generated From Operating</u>		<u>(5,511)</u>	<u>9,605</u>
<u>Investing Activities</u>			
<u>Cash Used In Investing Activities</u>		<u>-</u>	<u>-</u>
<u>Financing Activities</u>			
Available For Sale Investments		-	-
<u>Cash Surplus Generated From Financing Activities</u>		<u>-</u>	<u>-</u>
<u>(Decrease) / Increase In Cash And Cash Equivalents</u>		<u>(5,511)</u>	<u>9,604</u>
Cash And Cash Equivalents - Beginning Of Year	4, J	36,903	27,298
<u>Cash And Cash Equivalents - End Of Year</u>		<u>31,393</u>	<u>36,903</u>
<u>Analysis Of Cash And Cash Equivalents</u>			
Cash At Bank	4, J	8,480	14,383
Available For Sale Investments	5, K	22,912	22,520
		<u>31,393</u>	<u>36,903</u>

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 (N, O & P) 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. Investments

Investments are classified into the following categories: trading, held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates categorical designation on a regular basis.

Investments that are acquired principally for the purpose of generating gains from short-term fluctuations in price are classified as trading investments and included in Current Assets. Investments with fixed maturities which management has intent and ability to hold to maturity are classified as held-to-maturity and are included in Non-Current Assets. During the year the Company did not hold any investments in the previously mentioned categories.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for short-term liquidity or changes in rates of return, are classified as available-for-sale investments. These are included in Non-Current Assets unless management has express intention of holding the investment for less than twelve months from the Statement of Financial Position date or unless some of these investments may need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognized on the date that the Company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are carried at fair values. Realized and unrealized gains and losses arising from changes in the fair values of trading investments are included in the Statement of Comprehensive Income in the period in which they arise. Held-to-maturity investments are carried at Amortized values.

J. 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.

K. 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.

L. 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.

M. Comparative Figures

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

N. 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.

O. 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.

P. 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.

SCHOONER COURT

12

Notes To The Financial Statements

December 31st, 2017

(Expressed In Trinidad And Tobago Dollars)

	<u>December 31st</u>	
	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
1. <u>Incorporation And Principal Activity</u>		
The Company was incorporated in the Republic of Trinidad and Tobago on 8th June, 1982 as "Schooner Court Limited" and has been continued under the New Companies Act of 1995 as amended by the Companies Amendment Act 1997 as "Schooner Court". The Company is limited by Guarantee and its registered office is situate at No. 9 Starboard Drive, Schooner Court, Westmoorings by-the-sea.		
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 Schooner Court. By Deed of sublease dated 20th September, 1988, Schooner Court 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 seventy-six (76) townhouses. The property consists of roads, reserves, gardens and drainage infrastructure which Schooner Court is covenanted to maintain by virtue of the aforementioned deed of sublease. All of the obligations of the lessor has been assumed by Schooner Court.		
2. <u>Investment Property</u>		
Standing to account at year end	<u>4</u>	<u>4</u>
By deed of assignment dated 20th September 1988, Schooner Court Limited came into possession of the common areas in the leased property (the reserved 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 3.95 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. <u>Accounts Receivable</u>		
Gross receivables at year end - 100% Local	<u>148,935</u>	<u>134,246</u>
Split as Follows:-		
Long Term Portion	144,852	108,034
Short Term Portion	4,083	26,212
	<u>148,935</u>	<u>134,246</u>
The Receivables are stated at gross amounts and is representative of service charges and lease rental billings to the tenants. There were no doubtful debt provisions for the reporting year nor its comparative period.		
Accounts Receivable balances are split into its relative long term and short term portions which reflect amount which are due and expected to be settled within 12 months after the year end and amounts which are due to be settled over a period greater than 12 months after the year end.		

	<u>December 31st</u>	
	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
3. <u>Accounts Receivable - Continued</u>		
In accordance with the provisions of the deeds of sub-lease between the company and its lessees, a statement of account is required to be taken annually comprising the apportionable costs of the company's operations to be met/borne by the company's lessees. Given the nature of the company's operations this assessment is undertaken once annually and settled at several year intervals. As such there are infrequent movements in the accounts receivable balances when compared to year-over-year balances and are sometimes collected several years after becoming due. The deeds of sub-lease also entitles the company to certain rights and remedies that it may exercise in order enforce collections. It also obligates the lessees to settle the amounts due without deduction or set-off. Owing to this legal position management considers that the accounts receivables are collectible and will be collected in a later financial period. In making its assessment management have also considered the implications of impairment provisions forming part of apportionable costs pursuant to the company's obligations under the deeds of sub-lease. Management have committed to a plan to improve receivable collections in the next financial period having considered the future cash flow implications that may be experienced as a consequence of overdue accounts receivable and consequently no impairment adjustments were made in the reporting period.		
4. <u>Cash At Bank</u>		
Standing to account at year end	<u>8,480</u>	<u>14,383</u>
The amount represents the balance held in a chequing account at the Republic Bank Limited. 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. <u>Available For Sale Investment</u>		
The Movement On The Account Is As Follows:		
Available For Sale Investments Held At Beginning Of Year	22,520	22,184
Gain On Available For Sale Investments	392	336
Available For Sale Investments Held At End Of Year	<u>22,912</u>	<u>22,520</u>
The balance standing to this account represents long term investments held by the Company in the Savinvest Structured Investment Fund managed by Bourse Securities Limited, with First Citizens Trustee Services Limited as Trustee for the fund. The company may channel excess liquidity towards this account at the discretion of management from time to time in the hope that the returns may contribute to alternative revenue streams that may be used to off-set future expenditure. The sum standing to this account represents an investment made in an earlier financial period. The effective interest rate is 0.43% (Comparative 0.375%).		
6. <u>Amounts Due From Tenants</u>		
Amounts due to tenants	<u>23,174</u>	<u>22,422</u>
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 from them has been debited 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 to tenants have been reflected in the income and expenditure account.		

SCHOONER COURT

14

Notes To The Financial Statements**December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)**

	December 31st	
	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
7. <u>Accounts Payable And Accruals</u>		
Amounts Due To Westmoorings Gardens Limited	29,362	28,942
Accounts Payable And Accruals	16,066	8,067
	<u>45,428</u>	<u>37,009</u>

Schooner Court 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 maintenance. WGL invoices Schooner Court 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, Schooner Court and others. Other accounts payable and accruals represents amounts incurred during the normal course of business and largely relates to expenditure.

8. Revenues

(a) Lease Rental Income	760	760
(b) Maintenance And Service Charges	63,316	63,316
(c) Amounts Due to Tenants	(23,174)	(22,422)
(c) Other Income - Transfer to Accumulated Fund	178	-
	<u>41,080</u>	<u>41,653</u>

- 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.
- Maintenance and service charges are levied in advance on seventy-six (76) townhouses at a rate of \$833.10 per annum and is billed to fund the operating activities of the company.
- 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 reflected as a credit to income.
- Other Income represents Miscellaneous receipts for 2017.

9. Green Fund Levy

Green Fund Levy Due	<u>124</u>	<u>127</u>
---------------------	-------------------	-------------------

Schooner Court 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.

SCHOONER COURT

15

Notes To The Financial Statements**December 31st, 2017****(Expressed In Trinidad And Tobago Dollars)**

	December 31st	
	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
10. Gain On Available For Sale Investments		
Net Gain For The Period	<u>392</u>	<u>336</u>
Due to the nature of the company's investments held in the Savinvest Mutual Fund, gains and losses arise as a result of the performance of the fund subject to market fluctuations. These gains or losses are treated as Other Comprehensive Income in the Statement of Comprehensive Income. In the reporting period and its comparative, the Association realized a gain on its investments.		
11. Audit Fees		
Amounts due for the reporting periods	<u>6,750</u>	<u>6,750</u>
12. Employment Disclosure		
As at the Statement Of Financial Position Date the Company's employment structure was as follows :		
Part Time - Casual	-	-
Part Time - Directors	3	3
Disabled	-	-
	<u>3</u>	<u>3</u>
Total Value Of Vacation Leave Due	<u>Nil</u>	<u>Nil</u>

13. Events After The Statement of Financial Position Date

These financial statements were approved by the board of Directors' on the 19th of February, 2019 and from the closure of the company's financial period ended December 31st, 2017 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.