

## Chairman's Report

Consolidated Finance Co. Limited (the Company) produced a profit of \$5.8 million in 2016.

Operating Income was up from \$13.5 million in 2015 to \$14.0 million in 2016. Net Lease Rental Income showed the most progressive revenue performance, increasing from \$3.8 million in 2015 to \$4.3 million in 2016. Also adding to the 2016 profit was very careful management of expenses.

Our capital base improved from \$49.2 million at December 31, 2015 to \$53.5 million in 2016 reflecting our strong 2016 performance. Our capital adequacy ratio improved from 22% in 2015 to 26% which is well above the regulatory requirement of 8%.

In October 2016, the Company was acquired by ANSA Merchant Bank Limited (AMBL). AMBL is based in Trinidad & Tobago, licenced as a non-bank financial institution by Central Bank of Trinidad and Tobago, listed on the Trinidad and Tobago Stock Exchange and is majority owned by ANSA McAL Limited. AMBL celebrates its 40<sup>th</sup> anniversary in 2017. Its capital base at December 31, 2016 was TT\$1.3 billion. This alignment further facilitates the two financial institutions working together to expand the product offering and streamline operations.

We welcomed Mrs. Mary Mahabir to the Board as a non-Executive Director in November 2016.

Our most unique selling proposition is our excellent service delivery which we have expanded in 2016 by the introduction of an insurance agency. In 2017 we have introduced mortgages to our product suite.

We sincerely thank our customers for their loyal support. I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the hard work and commitment of the Management and Staff.



Chip Sa Gomes  
 Chairman of the Board of Directors  
 February 7, 2017



## Independent Auditor's Report To the Shareholder of Consolidated Finance Co. Limited

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the complete audited financial statements of Consolidated Finance Co. Limited ("the Company") for the year ended 31 December 2016.

In our opinion, the summarised financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

## The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 7 February 2017. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

## Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with IFRSs.

## Auditor's Responsibilities for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Chartered Accountants  
 Barbados  
 February 7, 2017

## Summarized Statement of Financial Position

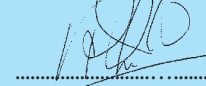
As at December 31, 2016  
 (Expressed in Barbados Dollars)

	2016 \$	2015 \$
<b>Assets</b>		
Cash and balances with Central Bank	42,581,594	25,234,939
Loans and other receivables	130,050,610	132,710,859
Investment securities	13,116,800	23,601,645
Due from parent and fellow subsidiaries	298	10,592,128
Corporation tax recoverable	-	558,505
Inventories	452,745	622,040
Property and equipment	1,957,448	2,103,968
Leased assets	44,027,099	43,147,471
Deferred tax asset	345,878	1,011,081
Employee benefit asset	2,114,253	1,945,253
<b>Total assets</b>	<b>234,646,725</b>	<b>241,527,889</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	8,020,932	7,017,507
Due to fellow subsidiaries	87,158	152,805
Customers' deposits and accrued interest	165,305,961	177,491,026
Corporation tax payable	382,605	-
Deferred tax liability	7,191,244	7,536,357
Employee benefit liability	189,000	143,000
<b>Total liabilities</b>	<b>181,176,900</b>	<b>192,340,695</b>
<b>Shareholder's equity</b>		
Stated capital	10,000,000	10,000,000
Reserves	10,877,359	10,877,359
Retained earnings	32,592,466	28,309,835
<b>Total shareholder's equity</b>	<b>53,469,825</b>	<b>49,187,194</b>
<b>Total liabilities and shareholder's equity</b>	<b>234,646,725</b>	<b>241,527,889</b>

Approved by the Board of Directors on February 7, 2017 and signed on its behalf by:



N.V. Mouttet



R.K. Phillips

**Summarized Statement of Comprehensive Income**

Year ended December 31, 2016 (Expressed in Barbados Dollars)	2016 \$	2015 \$
<b>Income</b>		
Interest income from loans	12,295,775	12,745,618
Interest income from investments	1,989,749	1,730,736
<b>Total interest income</b>	14,285,524	14,476,354
Finance costs	(6,539,182)	(7,087,927)
Net interest income	7,746,342	7,388,427
Net lease rental income	4,398,485	3,760,382
Other income	1,855,928	2,373,393
<b>Net interest and other income</b>	14,000,755	13,522,202
General and administrative expenses	(7,940,779)	(8,881,414)
<b>Income before impairment losses on loans and taxation</b>	6,059,976	4,640,788
Impairment losses on loans	(277,505)	(7,992,426)
<b>Income (loss) before taxation</b>	5,782,471	(3,351,638)
Tax (charge) credit	(1,456,340)	814,103
<b>Net profit income (loss) for the year</b>	4,326,131	(2,537,535)
<b>Other comprehensive (loss) income not to be reclassified to profit and loss in subsequent periods:</b>		
Re-measurement (loss) gain on post retirement plans	(43,500)	127,500
<b>Other comprehensive (loss) income for the year, net of tax</b>	(43,500)	127,500
<b>Total comprehensive income (loss) for the year, net of tax</b>	4,282,631	(2,410,035)

**Summarized Statement of Cash Flows**

Year ended December 31, 2016 (Expressed in Barbados Dollars)	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Income (loss) before taxation	5,782,471	(3,351,638)
Adjustments for:		
Impairment losses on loans	277,505	7,992,426
Reversal of impairment on investments	(307,163)	-
(Reversal impairment) impairment on inventory	(127,776)	171,462
Depreciation	10,650,613	11,001,607
Interest income from investments	(1,989,749)	(1,730,736)
Gain on disposal of property, equipment and leased assets	(1,723,914)	(1,369,998)
Employee benefits	(181,000)	(177,000)
Changes in operating assets and liabilities	12,380,987	12,536,123
Decrease (increase) in loans and other receivables	2,382,744	(6,664,432)
Increase in cash reserves held at Central Bank	(111)	(111)
Decrease (increase) in inventories	297,071	(304,143)
Decrease in due from parent and fellow subsidiaries	10,591,830	1,228,498
Increase (decrease) in accounts payable and accrued liabilities	1,003,425	(6,464,863)
(Decrease) increase in due to fellow subsidiaries	(65,647)	94,858
(Decrease) increase in customers' deposits and accrued interest	(12,185,065)	11,057,218
<b>Net cash from operating activities</b>	14,405,234	11,483,148
Interest income received from investments	2,088,310	1,577,526
Withholding tax (paid) received	(180,639)	74,224
<b>Net cash from operating activities</b>	16,312,905	13,134,898
<b>Net cash flows used in investing activities</b>		
Purchase of property, equipment and leased assets	(17,178,477)	(15,199,352)
Proceeds from disposal of property, equipment and leased assets	7,518,670	8,267,508
Purchase of investments	(387,255)	(9,828,000)
Proceeds from disposal / maturities of investments	11,080,701	4,970,175
<b>Net cash from (used in) investing activities</b>	1,033,639	(11,789,669)
<b>Net increase in cash and cash equivalents</b>	17,346,544	1,345,229
<b>Cash and cash equivalents – beginning of year</b>	18,527,061	17,181,832
<b>Cash and cash equivalents – end of year</b>	35,873,605	18,527,061

**Summarized Statement of Changes in Equity**

Year ended December 31, 2016  
(Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained Earnings \$	Stated capital \$
<b>Balance as at December 31, 2014</b>	10,000,000	10,877,359	30,719,870	51,597,229
Total comprehensive loss for the year	-	-	(2,410,035)	(2,410,035)
<b>Balance at December 31, 2015</b>	10,000,000	10,877,359	28,309,835	49,187,194
Total comprehensive income for the year	-	-	4,282,631	4,282,631
<b>Balance at December 31, 2016</b>	10,000,000	10,877,359	32,592,466	53,469,825

## Note 1

The summarized financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summarized statement of financial position, summarized statement of income, summarized statement of comprehensive income, summarized statement of changes in equity and summarized statement of cash flows. These summarized financial statements are derived from the audited financial statements of Consolidated Finance Co. Limited for the year ended 31 December 2016 which are prepared in accordance with International Financial Reporting Standards.

**Board of Directors**

Mr. Chip Sa Gomes - Chairman | Mr. S. R Edghill | Mr. J. W. Gellineau, FCA | Mr. G. N. Hill, MBA, FCCA | Mrs. M. J. Mahabir, QC | Mr. N. V. Mouttet | Mr. R. K. Phillips

Corporate Secretary - Ms. L. R. McCollin, FCCA, FCA