

Chairman's Statement

I begin this statement with a prayer for the survival and speedy recovery of those affected by the COVID-19 pandemic. As we release this statement, we note and commend the proactive measures implemented by the Government of Barbados to protect its citizens including the comprehensive execution of vaccinations. We also pray for the safety of the citizens of St. Vincent and the Grenadines and of all countries affected by the volcanic eruptions and ash clouds.

Consolidated Finance Co. Limited ("CFC") earned Operating Income comprising net interest income, net lease rental income, fees and foreign exchange income of \$12.9 million in 2020 compared to \$13.4 million in 2019. Net interest income was held stable, with a marginal 1% reduction to \$6.9 million down from \$7.0 million in 2019, given the current environment.

Income before taxation declined and was \$0.9 million for the year ended December 31, 2020 compared to \$2.0 million in 2019. Increased provisioning on loans due to the COVID-19 pandemic resulted in the current year's decline in income before taxation. Without such conservative provisioning income for 2020 would be comparable to the 2019 income. Total comprehensive income for the year net of tax was \$0.5 million compared to \$2.2 million in 2019.

We remain one of the best capitalized companies in our industry, as our capital base closed strongly at \$53.6 million with a capital adequacy ratio of 30%, which is well above the minimum regulatory requirement of 8%. This reflects the strength of our business. Our Parent Company, ANSA Merchant Bank Limited ("AMBL") has Total Assets of over USD 537 million and a capital base of over USD 225 million as at December 31, 2020, and remains a significant player in the region.

In the last quarter of 2020, we received Central Bank approval to centralise some of our business operations into those of the parent company, AMBL. Our state-of-the-art IT operating system, which has now been fully implemented for CFC, has automated processes significantly and streamlined how the company conducts operations. As a result of enhanced technological capabilities, centralization has been a sound business decision to ensure greater profits for CFC in the future and a continuing contribution to the economy of Barbados.

We sincerely thank all our customers for their continued loyal support. I express my thanks and appreciation to my fellow Directors on the Board and acknowledge the valuable contributions of our committed Management and Staff.



Gregory N. Hill
Chairman of the Board of Directors
30 April, 2021



INDEPENDENT AUDITOR'S REPORT

Report on the audit of the Summary Financial Statements

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 2020, 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 2020.

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 30 April 2021. 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 Note 1.

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
30 April 2021

Statement of Financial Position

As at December 31, 2020
(Expressed in Barbados Dollars)

	2020 \$	2019 \$
Assets		
Cash and short-term deposits	40,873,565	38,455,165
Loans and other receivables	123,302,937	117,392,769
Investments securities	9,307,772	11,596,304
Property and equipment	6,556,852	7,059,324
Leased assets	29,399,615	34,415,404
Other assets	4,571,872	5,114,725
Total assets	214,012,613	214,033,691
Liabilities		
Accounts payable and accrued liabilities	16,891,512	11,922,876
Customers' deposits and accrued interest	138,114,701	143,605,200
Other liabilities	5,357,573	5,371,010
Total liabilities	160,363,786	160,899,086
Shareholder's equity		
Stated capital	10,000,000	10,000,000
Capita reserve	12,710,652	13,019,667
Retained earnings	30,938,175	30,114,938
Total shareholder's equity	53,648,827	53,134,605
Total liabilities and shareholder's equity	214,012,613	214,033,691

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on 30 April 2021 and signed on its behalf by:



.....Director
G.N. Hill



.....Director
J.W. Gellineau

Statement of Comprehensive Income

 Year ended December 31, 2020
 (Expressed in Barbados Dollars)

	2020 \$	2019 \$
Income		
Total Interest income	9,645,543	10,480,866
Finance costs	(2,744,122)	(3,514,430)
Net interest income	6,901,421	6,966,436
Net lease rental income	3,978,622	3,615,481
Other income	2,053,209	2,787,781
Net interest and other income	12,933,252	13,369,698
General and administrative expenses	(9,643,579)	(9,577,404)
Income before impairment losses on loans and taxation	3,289,673	3,792,294
Impairment losses on loans	(2,412,973)	(1,592,365)
Net impairment recovery (charge) on investments	29,572	(203,271)
Income before taxation	906,272	1,996,658
Taxation (charge) credit	(83,035)	16,471
Net income for the year	823,237	2,013,129
Other comprehensive (loss) income		
Remeasurement (loss) gain on retirement benefit plans	(309,015)	140,854
Other comprehensive (loss) income for the year, net tax	(309,015)	140,854
Total comprehensive income for the year, net of tax	514,222	2,153,983

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

 Year ended December 31, 2020
 (Expressed in Barbados Dollars)

	2020 \$	2019 \$
Net cash from operating activities	12,849,330	13,915,596
Net cash from (used in) investing activities	200,241	(7,883,042)
Net cash flows used in financing activities	(131,323)	(93,566)
Net increase in cash and cash equivalents	12,918,248	5,938,988
Cash and cash equivalents – beginning of year	17,705,824	11,766,836
Cash and cash equivalents – end of year	30,624,072	17,705,824

The accompanying notes form an integral part of these financial statements.

Summarized Statement of Changes in Equity

 Year ended December 31, 2020
 (Expressed in Barbados Dollars)

	Stated capital \$	Reserves \$	Retained Earnings \$	Total \$
Balance as at December 31, 2018	10,000,000	12,495,644	28,484,978	50,980,622
Total comprehensive income for the year	-	140,854	2,013,129	2,153,983
Transfer from retained earnings to reserves	-	383,169	(383,169)	-
Balance at December 31, 2019	10,000,000	13,019,667	30,114,938	53,134,605
Total comprehensive income for the year	-	(309,015)	823,237	514,222
Balance at December 31, 2020	10,000,000	12,710,652	30,938,175	53,648,827

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 2020 which are prepared in accordance with International Financial Reporting Standards.

Board of Directors

Mr. Gregory. N. Hill, BSc. FCCA, MBA - Chairman | Mr. S. R Edghill | Mr. J. W. Gellineau, FCA | Mrs. M. J. Mahabir, QC | Mr. V. W. Boyce BSc. MSc

Corporate Secretary - Ms. D. Selman, BSc, MBA, CIA