

## Restatement of Audited Financial Statements for the year ended 31 March 2018

Subsequent to our 69th Annual General Meeting for the fiscal year ended 2018, our auditors for that period, Baker Tilly Hulse, recommended that some corrections be made to the Audited Financial Statements that had been presented to the membership at the 69th Annual General Meeting.

After reviewing the corrections and rationale presented by the auditors, and after consultation with the Central Bank of Belize, the corrections were made and the Audited Financial statements were restated.

**Below is a summary of the changes made:**

### Statement of Financial Position (excerpt)

	2018	Restated 2018	Variances
<b>Assets</b>			
Other receivables and prepayments	1,505,692	733,519	(772,173)
Total assets	73,377,967	72,605,794	
Net assets	11,812,230	11,040,057	
<b>Members' Equity:</b>			
Guaranty fund	7,072,618	7,445,898	373,280
Undivided earnings	4,528,021	3,382,568	(1,145,453)
Member's Equity	11,812,230	11,040,057	

### Statement of Comprehensive Income (excerpt)

	2018	Restated 2018	
<b>Interest income:</b>			
Interest income	8,371,204	7,599,031	(772,173)
Net interest income	8,344,516	7,572,343	
Operating income	9,278,818	8,506,645	
Net income for the year	4,504,967	3,732,794	

### Statement of Changes in Equity (excerpt)

	2018	Restated 2018	
<b>Undivided earnings</b>			
Net income for the year	4,504,967	3,732,794	(772,173)
Less: Transfer to guaranty fund	-	(373,280)	(373,280)
Balance at the end of the year	4,528,021	3,382,568	
<b>Other reserves</b>			
Guaranty fund			
Transfers from undivided earnings	-	373,280	373,280
Balance at the end of the year	7,072,618	7,445,898	
<b>Total Member's Equity</b>	<b>11,812,230</b>	<b>11,040,057</b>	

### Statement of Cash Flows

	<u>2018</u>	<u>Restated 2018</u>
<b>Cash flow from operating activities:</b>		
Net income for the year	4,504,967	3,732,794
Operating profit before working capital changes	5,518,481	4,746,308
(Increase)/decrease in other receivables and prepayments	(1,416,703)	(644,530)

### Notes to the financial statements

<b>Note 4 - Investments</b>	<u>2018</u>	<u>Restated 2018</u>
Belize Electricity Limited Series 2 debentures	75,000	-
Belize Electricity Limited Series 4 debentures	409,300	-
Belize Electricity Limited Series 7 debentures	-	484,300

**Disclosure on debentures was not updated to indicate that Series 2 and 4 debentures had been redeemed and had been replaced with Series 7 debentures.**

<b>Note 7 - Other receivables and prepayments</b>	<u>2018</u>	<u>Restated 2018</u>
Accrued interest receivable	1,414,054	641,881
<b>Total other receivables and prepayments</b>	<u>1,505,692</u>	<u>733,519</u>

**Accrued interest receivable included accrued interest income on performing and non-performing loans. This was corrected to only accrue for interest income on performing loans.**

<b>Note 17 - Interest on Member's Loans</b>	<u>2018</u>	<u>Restated 2018</u>
Interest income		
Interest income - personal and business loans	8,209,676	7,437,503
<b>Total interest on Member's Loans</b>	<u>8,731,204</u>	<u>7,599,031</u>

**The overall reduction in Net Income of \$772,173 for the year 2018 is due to the reversal of non-performing interest accrued in compliance with International Financial Reporting Standards (IFRS).**

**The movement in the Statement in Equity is due to the allocation of 10% surplus to the Guaranty Fund as recommended by the Central Bank of Belize.**

**Copies of the restated financial statements for the year ended 31 March 2018 are available for download at [www.licu.org](http://www.licu.org)**