

Today. Tomorrow. Together.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS 2020

DIRECTORS: Dr. Stacey Estwick - Chairperson, Mr. Glyne Harrison, Dr. Philmore Alleyne, Ms. Tanya Chase Mr. Hilford Murrell, Mr. Michael Mayers, Mr. Anthony Christie, Mr. Trevor Colucci



A subsidiary of Barbados Public Workers' Co-operative Credit Union Limited

CAPITA FINANCIAL SERVICES INC. Summary Consolidated Statement of Financial Position As at March 31, 2020 With comparative figures for 2019 (expressed in Barbados dollars)

	2020 \$	2019 \$
Assets		
Cash resources	25,555,432	31,205,032
Investment securities:		
FVOCI	406,414	472,258
Amortised cost	3,785,761	2,961,815
Loans and advances	265,770,793	238,224,633
Corporation tax recoverable	326,788	313,104
Due from related company	270,841	435,431
Property and equipment	7,197,258	3,950,050
Other assets	3,778,300	3,419,346
Total Assets	307,091,587	280,981,669
Liabilities and Equity		
Liabilities		
Customer deposits	263,623,928	240,378,074
Other liabilities	5,318,657	2,834,819
Due to related company	6,004	31,835
Loans payable	12,282,195	13,520,176
Corporation tax payable	123,583	-
Deferred loan commitment fees	466,650	399,824
Tax on asset payable	314,378	391,611
Deferred taxation	66,052	60,326
Total Liabilities	282,201,447	257,616,665
Equity		
Share capital	10,297,059	10,297,059
Other reserves	5,375,642	4,266,641
Retained earnings	9,217,439	8,801,304
Total Equity	24,890,140	23,365,004
Total Liabilities and Equity	307,091,587	280,981,669

Approved by the Board of Directors on August 29, 2020

Dr. Philmore Alleyne - Director

Trevor Colucci - Director

CAPITA FINANCIAL SERVICES INC. Summary Consolidated Statement of Changes in Equity For the year ended March 31, 2020 With comparative figures for 2019 (expressed in Barbados dollars)

	Share capital \$	Other reserves \$	Retained earnings \$	Total \$
Balance at April 1, 2018	10,297,059	4,161,327	9,663,441	24,121,827
Adjustment on initial application of IFRS 9	-	-	(1,385,905)	(1,385,905)
Restated balance at April 1, 2018	10,297,059	4,161,327	8,277,536	22,735,922
Net income for the year	-	-	733,845	733,845
Dividend declared	-	-	(100,000)	(100,000)
Transfer to statutory reserve	-	110,077	(110,077)	-
Total other comprehensive income	-	(4,763)	-	(4,763)
Balance at March 31, 2019	10,297,059	4,266,641	8,801,304	23,365,004
Balance at April 1, 2019	10,297,059	4,266,641	8,801,304	23,365,004
Adjustment on initial application of IFRS 16	-	-	13,858	13,858
Restated balance at April 1, 2019	10,297,059	4,266,641	8,815,162	23,378,862
Net income for the year	-	-	1,636,542	1,636,542
Dividend declared	-	-	(110,268)	(110,268)
Transfer to statutory reserve	-	244,218	(244,218)	-
Transfer to general reserve	-	879,779	(879,779)	-
Total other comprehensive income	-	(14,996)	-	(14,996)
Balance at March 31, 2020	10,297,059	5,375,642	9,217,439	24,890,140

CAPITA FINANCIAL SERVICES INC. Summary Consolidated Statement of Comprehensive Income For the year ended March 31, 2020 With comparative figures for 2019 (expressed in Barbados dollars)

	2020 \$	2019 \$
Interest income	16,789,568	15,718,526
Interest expense	(7,884,280)	(7,795,486)
Net interest income	8,905,288	7,923,040
Other income	2,525,541	2,288,212
Net interest and other income	11,430,829	10,211,252
Operating expenses		
Salaries and other staff costs	3,112,818	2,600,338
Occupancy costs	150,277	937,377
Debt impairment (recovery) charge	(156,834)	73,296
Loan impairment charge	391,933	307,552
Receivable write off	167,054	-
Other operating expenses	3,478,049	3,624,085
Depreciation	1,639,731	759,725
Total operating expenses	8,783,028	8,302,373
Income before levies and de-recognition of Government Debt and taxation	2,647,801	1,908,879
Loss on De-recognition of Government Securities	-	(403,280)
Tax on assets	(842,378)	(799,800)
Income before taxation	1,805,423	705,799
Taxation	(168,881)	28,046
Net income for the year	1,636,542	733,845

CAPITA FINANCIAL SERVICES INC. Summary Consolidated Statement of Comprehensive Income (cont.) For the year ended March 31, 2020 With comparative figures for 2019 (expressed in Barbados dollars)

	2020 \$	2019 \$
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Unrealised fair value gain on FVOCI investment securities, net	(14,996)	4,763
Comprehensive income for the year	1,621,546	729,082

CAPITA FINANCIAL SERVICES INC. Summary Consolidated Statement of Cash Flows For the year ended March 31, 2020 With comparative figures for 2019 (expressed in Barbados dollars)

	2020 \$	2019 \$
Cash flows from operating activities		
Income before taxation	1,805,423	705,799
Adjustments for:		
Depreciation	1,639,731	759,725
Interest income	(16,789,568)	(15,718,526)
Interest expense	7,884,280	7,795,486
Debt impairment (recovery) charge	(156,834)	73,296
Loan impairment charge	391,933	307,552
Receivable write off	167,054	-
Loss (gain) on sale of assets	19,531	(27,458)
Loss on de-recognition of Government Securities	-	403,280
Changes in operating assets and liabilities:	(5,038,450)	(5,700,846)
Increase in mandatory reserve deposits with Central Bank	(1,000,015)	(550,000)
Increase in loans and advances	(27,713,990)	(22,825,190)
Increase in other assets	(358,954)	(586,783)
Increase in customer deposits	23,262,986	20,329,975
(Decrease) increase in other liabilities	(377,773)	952,172
Increase (decrease) in net due to/from related company	138,759	(100,650)
Increase (decrease) in deferred loan commitment fees	66,826	(10,266)
(Decrease) increase in tax on asset payable	(77,233)	129,112
Net cash used in operations	(11,097,844)	(8,362,476)
Interest received	16,565,465	15,600,038
Interest paid	(7,901,412)	(6,685,456)
Taxes paid	(54,395)	(177,521)
Net cash from operating activities	(2,488,186)	374,585
Cash flows from investing activities		
Decrease of other term deposits	6,842,972	3,251,199
Purchase of investment securities	(1,212,000)	177,859
Sale of investments securities	592,000	-
Purchase of asset	(1,691,069)	(2,170,029)
Sale of asset	145,000	75,259
Net cash from investing activities	4,676,903	1,334,278
Cash flows from financing activities		
Dividend paid	(110,268)	(100,000)
Payment of lease liability	(647,110)	-
Repayment of loans payable	(1,237,981)	(1,709,622)
Net cash used in financing activities	(1,995,359)	(1,809,622)
Net increase (decrease) in cash and cash equivalents for the year	193,358	(100,759)
Cash and cash equivalents - beginning of year	15,340,610	15,441,369
Cash and cash equivalents - end of year	15,533,968	15,340,610



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Independent Auditors' Report on the Summary Consolidated Financial Statements

To the Shareholder of Capita Financial Services Inc.

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at March 31, 2020, summary consolidated statements of changes in equity, comprehensive income and cash flows for the year then ended, are derived from the audited consolidated financial statements of Capita Financial Services Inc. for the year ended March 31, 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated September 18, 2020.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the basis of accounting applied in the preparation of the audited consolidated financial statements.

Auditors' Responsibility

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

Chartered Accountants,
Bridgetown, Barbados
September 18, 2020