Trust Company (Guyana) Limited

Annual Report 2013

Contents

Notice of Meeting

Notice is hereby given that the 48th Annual General Meeting of Trust Company (Guyana) Limited will be held on Friday, July 11, 2014 at 16:30 hours in the Boardroom of the Demerara Bank Limited, 230 Camp & South Streets, Georgetown, when the following business will be transacted:

1. To receive and to consider the Report of the Directors and the Audited Accounts for the year ended December 31, 2013.

2. To approve the declaration of a dividend

3. To elect Directors in the place of those retiring by rotation. The retiring Director is Mrs. Prabha Persaud - Kissoon and she has offered herself for re-election.

4. To fix the remuneration of the Directors.

5. To appoint Auditors and authorise the Directors to fix their remuneration.

By Order of the Board,

....

Ms. D. Williams
Secretary
June 9, 2014

REGISTERED OFFICE
Demerara Bank Building
230 Camp & South Streets
Geoegetown

Please Note:

- Only Shareholders or their duly appointed proxies may attend
- Please bring this notice to gain entry to the Meeting
- Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her.
- A proxy need not be a member of the Trust Company. The Form must be deposited at the Registered Office of the Trust Company not less than 48 hours before the time for holding the meeting.
- A proxy form is attached for use.
- Any corporation which is a member of the Trust Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at the Meeting.

Company Profile

Trust Company (Guyana) Limited is the oldest and only Trust Company that offers traditional trusteeship services in addition to a wide range of other financial services. These include investment, brokerage, registrar and pension schemes. The Company also invests in secured mortgages.

Trust Company (Guyana) Limited was formerly Royal Bank Trust Company (Guyana) Limited, a wholly owned subsidiary of the Royal Bank of Canada. In 1984 The Royal Bank of Canada sold its Guyana operations to the Government of Guyana but the shares of the Trust Company were bought by a small group of businessmen and professionals.

The Company subsequently increased its share capital and expanded its shareholder base. Trust Company (Guyana) Limited is licensed under the Financial Institutions Act and the Securities Industry Act to conduct its business.

Corporate Information

BOARD OF DIRECTORS

Dr. Yesu Persaud - Chairman
Mr. Hemraj Kissoon
Mrs. Chandra Gajraj
Mr. Colin Thompson
Ms. Prabha Persaud - Kissoon

MANAGEMENT TEAM

Mrs. Chandra Gajraj - Managing Director
Ms. Deborah Williams - Trust Officer
Mr. Deonarine Ramdhan - Credit Officer
Mrs. Sheldyne Sukhai - Administrative/Accounting Officer

REGISTERED OFFICE

230 Camp & South Streets
Georgetown, Guyana, South America.
Tel: (592) 225-0610-9
Fax: (592) 227-2828
E-mail: trust@trustcompanygy.com

AUDITORS

TSD Lai & Company
77 Brickdam, Georgetown
Guyana, South America.

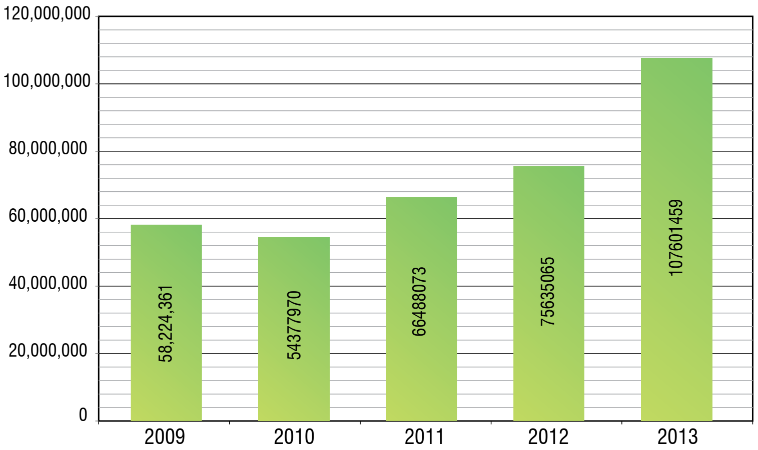
ATTORNEY-AT-LAW

De Caires Fitzpatrick & Karran
79 Cowan Street
Kingston, Georgetown
Guyana, South America

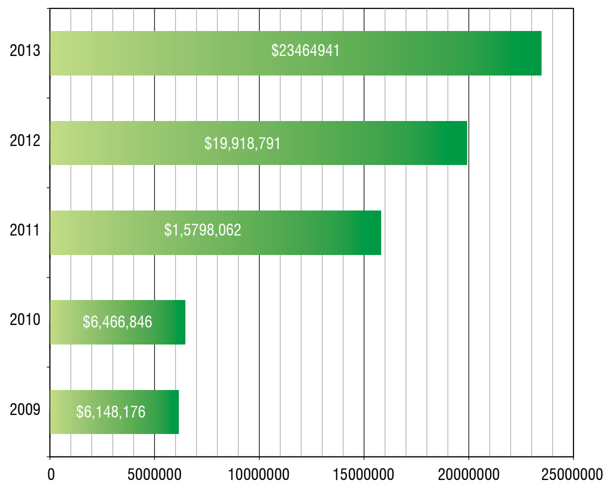
CORPORATE SECRETARY

Ms. Deborah Williams

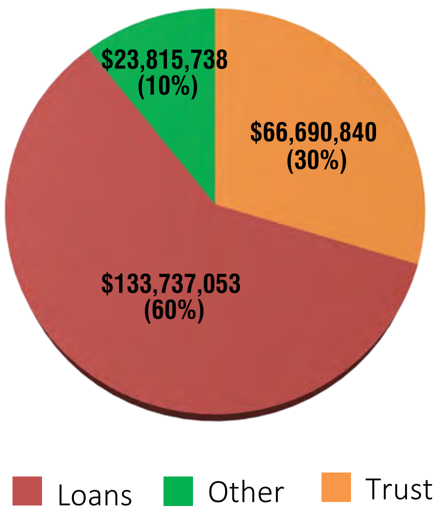
Financial Highlights



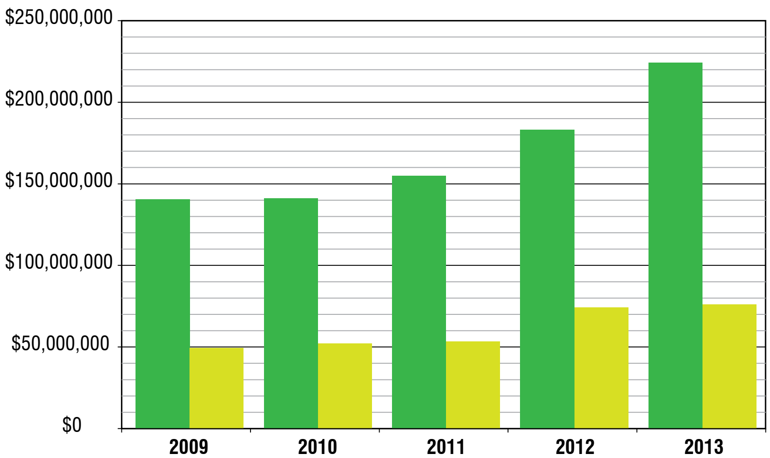
Annual Profit after Taxation (GYD)



Fund Management (GYD)



Sources of Income 2013 (GYD)



Income & Expenditure

Dr. Yesu Persaud

Chairman's Report

It is my pleasure to present the financial statements and report on the performance of the Trust Company for the year ended 2013.

GLOBAL ECONOMY

The Global Economy is showing positive signs of recovery after the financial crisis of 2008 which started in the U.S and spread almost global by 2009. The world economy grew by 3% led by almost 4% in developing economies. The U.S recovery was only 1.9% but is showing signs of a major turnaround in 2014. Demand for labor is on the upward swing and unemployment is down less than 6%. The European Union economy contracted by 0.4% but is now showing more positive developments especially in production of top industrial goods by use of the German steam roller for the International Markets.

GUYANA ECONOMY

Guyana's economy was the best in CARICOM led by a growth rate of 5% compared to 4.8% in 2012. Growth was driven by gold, rice, manufacturing and services of Insurance and Banking. However, the ongoing debate among the Political Parties in relation to the AML/CFT Bill remains undecided. The deadline for this bill has now expired and Guyana has been blacklisted for not signing the AML/CFT Bill causing irreparable harm to the economy and its people.

COMPANY PERFORMANCE

The Company's results for the year were very encouraging, recording an increase in profit before tax of 35% over previous year. Income was $224m as against $183m for the same period last year an increase of 22%. The increase in income is driven primarily from the growth in credit operations.

Advances have grown from $1.1bln to $1.4bln an increase of 22% over the previous year. Income derived from the other areas of operation remain on target. We continue to keep control of our expenses which has increased by below 5% over the previous year.

Consistent dividend growth remains an important part of our commitment to maximizing shareholder return. Based on the results the Directors recommend a dividend of $0.22cents per share for the year ended December 31, 2013.

OPERATIONS

Notwithstanding the high liquidity in the financial system and the competition for lending the Trust Company has developed a niche market for loans customers. We remain prudent in our lending policy and offer a personalized service to our customers, working closely with them to ensure that they are committed to fulfilling their financial obligation. As a result we have been able to keep our non performing loans at a minimum level and there was no increase in povision for the past year. We are optimistic that our credit operations can grow and become increasingly profitable.

The Guyana Unit Trust continues to perform positively both in earnings and growth. In an environment of low interest rates Unitholders benefit from a good rate of return.

Investment funds managed by the Trust Company stand in the vicinity of G$23bln and continue to increase. All investment portfolios are well diversified represented by good quality securities.

All other areas of operation remain stable although there has not been much growth.

PREMISES

The Trust Company has outgrown its office space presently occupied in the Demerara Bank building and expect to move to another location by the end of the year.

STAFF

During the year the Company was affected by a high staff turnover which was due to younger members of staff seeking employment with larger institutions. This has serious effect on our productivity since due to the specialized nature of our operations new staff must be properly trained. Members of Management have demonstrated a keen sense of responsibility in their commitment and dedication to ensuring that the Company's operations continue uninterrupted and we deliver the quality of service expected.

APPRECIATION

To my fellow Directors I express sincere thanks for their support and cooperation. And to the Management and staff of the Trust Company deep appreciation for their efforts in 2013 and their continued dedication in placing this Company in a position where we can look to the future with confidence.

Special thanks to our loyal customers who continue to do business with us. We remain focused on maintaining the trust and confidence of our customers and building long term relationships.

I would also like to thank our Regulators for their guidance and support .

Report of the Directors

The Directors have pleasure in submitting this Report and Audited Financial Statements for the year ended December 31, 2013.

1. FINANCIAL RESULTS

The results for the year ended December 31, 2013 are as follows:

Profit before Tax	$148,071,205
Taxation	$40,469,746
Profit after Tax	$107,601,459
Proposed Dividends	$54,820,426
Retained Profit	$52,781,033
Total Retained Earnings	$402,387,893

2. DIVIDENDS

The Directors recommend a dividend of G$0.22 free of taxes.

3. DIRECTORS

Yesu Persaud
Hemraj Kissoon
Chandra Gajraj
Prabha Persaud - Kissoon
Colin Thompson

Under Article 69 of the Company's Memorandum and Articles of Association, the retiring Director, Mrs. Prabha Persaud Kissoon, has offered herself for re-election.

4. DIRECTORS INTEREST	**SHARES HELD**
Yesu Persaud	20,000,000
Hemraj Kissoon	14,525,000
Chandra Gajraj	1,000,000

5. DIRECTORS' FEES

Yesu Persaud	$396,000
Hemraj Kissoon	$264,000
Colin Thompson	$264,000
Prabha Persaud - Kissoon	$264,000
Chandra Gajraj	$176,000

6. AUDITORS

The Auditors, Messrs TSD Lai & Company, retired and have offered themselves for reelection.

Accordingly a resolution for their reappointment will be submitted to the Annual General Meeting.

BY ORDER OF THE BOARD

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Ms. D. Williams
Secretary

Independent Auditors' Report to The Members of Trust Company (Guyana) Limited on The Financial Statements For The Year Ended 31 December 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Trust Company (Guyana) Limited which comprise the statement of financial position as at 31 December 2013 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 38.

Directors'/Management's Responsibility for the Financial Statements

The Directors/ Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects of the financial position of Trust Company (Guyana) Limited as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of The Securities Industry (Accounting and Financial Statements) Regulations 2002, the Financial Institutions Act 1995 and the Companies Act 1991.

TSD Lal & Co

TSD LAL & CO.
CHARTERED ACCOUNTANTS
Date: April 28, 2014
77 Brickdam,
Stabroek, Georgetown,Guyana

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013		2012	
		G$	G$	G$	G$
Income					
Loans		133,737,053		105,175,496	
Management fees		66,690,840		68,372,767	
Brokerage fees		3,760,872		4,083,854	
Interest		142,465		168,488	
Gain on disposal of investments		16,391,180		-	
Other income		1,702,675		3,334,235	
Investment	6 (ii)	1,818,546		2,142,042	
	6		224,243,631		183,276,882
Expenditure					
Administrative		35,056,616		38,638,267	
Interest expenses		15,071,910		10,146,633	
Personnel		21,598,153		20,427,372	
Depreciation		2,165,855		3,021,505	
Auditors' remuneration	7 (a)	915,892		809,987	
Directors' emoluments	7(b)	1,364,000		1,240,000	
			76,172,426		74,283,764
Profit before taxation			148,071,205		108,993,118
Taxation	8		(40,469,746)		(33,358,053)
Profit after taxation	7		107,601,459		75,635,065
Basic earnings per share in dollars	9		0.43		0.30

	2013	2012
	G$	G$
Profit after taxation	107,601,459	75,635,065
Other Comprehensive Income		
Item that maybe reclassified subsequently to profit or loss:		
Gain on the revaluation of:-		
Available for sale financial assets	-	8,175,306
Other comprehensive income net of tax	-	8,175,306
Total Comprehensive Income for the year	**107,601,459**	**83,810,371**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Share capital	Accumulated earnings	Investment reserve	Total
		G$	G$	G$	
Balance at 1 January 2012		**250,236,000**	303,873,845	4,631,901	558,741,746
Changes in Equity 2012					
Total comprehensive income for the year		**-**	75,635,065	8,175,306	83,810,371
Dividends paid	**22**	**-**	(39,869,400)	-	(39,869,400)
Balance at 31 December 2012		**250,236,000**	339,639,510	12,807,207	602,682,717
Changes in Equity 2013					
Write back due to sale of investment		**-**	-	(12,807,207)	(12,807,207)
Total comprehensive income for the year		**-**	107,601,459		107,601,459
Dividends paid	**22**	**-**	(44,853,076)	-	(44,853,076)
Balance at 31 December 2013		**250,236,000**	402,387,893	-	652,623,893

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Notes	2013	2012
ASSETS		G$	G$
Non- current assets			
Fixed assets	10	2,637,283	3,662,055
Investments - Available for sale	11	10,600,000	29,013,490
Deferred tax	8	1,222,534	1,156,006
Loans	12	1,397,721,233	1,141,314,928
		1,412,181,050	1,175,146,479
Current assets			
Other debtors and accrued interest	15	4,136,563	3,257,162
Tax recoverable		3,102,869	3,064,169
Cash on hand and at bank		10,286,785	77,168,119
		17,526,217	83,489,450
Total Assets		1,429,707,267	1,258,635,929
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	250,236,000	250,236,000
Accumulated earnings		402,387,893	339,639,510
Investment reserve	14	-	12,807,207
		652,623,893	602,682,717
Current Liabilities			
Other payables and accruals	16	7,653,241	7,092,059
Taxes payable		6,093,370	2,524,391
Customers investment	17	763,336,763	646,336,762
		777,083,374	655,953,212
Total Equity and Liabilities		1,429,707,267	1,258,635,929

These financial statements were approved by the Board of Directors on April 28, 2014
On behalf of the Board:

.... Director

.... Director

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G$	2012 G$
Operating activities		
Profit before taxation	148,071,205	108,993,118
Adjustment for:		
Depreciation	2,165,856	3,021,505
Gain on disposal of fixed assets	-	(4,194)
Gain on disposal of investments	(16,391,180)	-
(Increase)/ decrease in other debtors and accrued interest	(879,401)	2,436,995
Increase in other payables and accruals	561,182	222,340
Increase in customers investment	117,000,001	396,087,108
Cash provided by operating activities	**250,527,663**	**510,756,872**
Taxation:		
Taxes paid/adjusted	(37,005,994)	(34,040,789)
Net cash provided by operating activities	**213,521,669**	**476,716,083**
Investing activities		
Loans	(256,406,305)	(432,530,633)
Purchases of fixed assets	(1,141,624)	(721,060)
Proceeds from sale of fixed assets	-	4,194
Investment (aquired)sold	21,998,002	(7,500,000)
Net cash used in investing activities	**(235,549,927)**	**(440,747,499)**
Financing activities		
Dividends paid	(44,853,076)	(39,869,400)
Net cash used in financing activities	**(44,853,076)**	**(39,869,400)**
Net decrease in cash and cash equivalents	(66,881,334)	(3,900,816)
Cash and cash equivalents at the beginning of the year	77,168,119	81,068,935
Cash and cash equivalents at the end of the year	**10,286,785**	**77,168,119**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Incorporation and activities

The Company was incorporated in Guyana on 17 May 1966. The Company engages in Trust Business and is licensed under the Financial Institutions Act 1995.

2. New and revised standards and interpretations

Effective for the current year end	**Effective for annual periods beginning on or after**
New and Amended Standards	
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 19 Amendments to IAS 19 – Employee Benefits	1 January 2013
IAS 27(2011) Separate Financial Statements	1 January 2013
IAS 28(2011) Investments in Associates and Joint Ventures	1 January 2013
IAS 1(2011) Amendments to IAS 1 – Presentation of Other Comprehensive Income	1 July 2012
IFRS 7 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 1 First-time Adoption of International Financial Reporting Standards (Government loans)	1 January 2013
IFRS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 1 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 16 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 32 Amendments as part of improvements to IFRSs 2011	1 January 2013
IAS 34 Amendments as part of improvements to IFRSs 2011	1 January 2013
IFRS 10 Consolidated Financial Statements (Transitional arrangements)	1 January 2013
IFRS 11 Joint Arrangements (Transitional arrangements)	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities (Transitional arrangements)	1 January 2013
New interpretation	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

IAS 1 was the only amendment that had an effect on the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

2. New and revised standards and interpretations (cont'd)

Available for early adoption for the current year end	Effective for annual periods beginning on or after
New and Amended Standards	
IFRS 7 Financial Instruments: Disclosures	1 January 2017
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2017
IFRS 9 Additions for Financial Liability Accounting	1 January 2017
IFRS 10 Consolidated Financial Statements (Exemptions)	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities (Exemptions)	1 January 2014
IAS 19 Employee Benefits	1 July 2014
IAS 27 Separate Financial Statements (Exemptions)	1 January 2014
IAS 32 Financial Instruments - Offsetting Financial Assets and Financial Liabilities	1 January 2014
IAS 36 Impairment of Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement	1 January 2014
New interpretation	
IFRIC 21 Levies	1 January 2014

The Company has not opted for early adoption.

The standards and amendments that are expected to have an impact on the Company's accounting policies when adopted are explained below.

IFRS 7
This standard is closely linked to IFRS 9. In December 2011, the IASB issued an amendment which modifies the relief from restating comparative periods and the associated disclosures.

IFRS 9
IFRS 9 was issued in November 2009 and was initially required to be applied from 1 January 2013. However, new requirements were added in November 2010 and the revised date for adoption was set for 1 January 2015. However, in November 2013, consequential amendments were issued which removed the mandatory effective date. At a meeting the IASB tentatively decided that the mandatory effective date will be no earlier than annual periods beginning on or after 1 January 2017.

This standard specifies how an entity should classify and measure its financial assets.

The application of IFRS 9 may have significant impact on amounts reported in respect of the Company's financial assets and financial liabilities However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

When adopted, the standard will be applied retrospectively in accordance with IAS 8

2. New and revised standards and interpretations (cont'd)

IAS 19

The amendments to IAS 19 sets out that contributions from employees or third parties that are linked to service should be attributed to periods of service. It also permits a practical expedient if the amount of contributions is independent of the number of years of service.

The application of the amendments to IAS 19 may have impact on amounts reported in respect of the Company's defined benefit plans. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

IAS 32

Amends the disclosure requirements in IFRS 7 Financial Instruments, to require information about all recognised financial instruments that are set off.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements.

The directors do not anticipate that the application of these amendments to IAS 32 and IFRS 7 will have a significant impact on the Company's financial statements as the Company does not have any financial assets and financial liabilities that qualify for offset.

IAS 36

This amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed. It clarifies the disclosures required and introduces an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount is determined using a present value technique.

The directors anticipate that the application of this amendment may have an impact on amounts reported in respect of the Company's financial assets and financial liabilities. However it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

3. Summary of significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

(b) Basis of preparation

The financial statements have been prepared on the historical cost convention, as modified for the revaluation of available for sale investments .The principal accounting policies are set out below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(c) Revenue and expense recognition

Management fees are dealt with on a cash basis, whilst income on fixed return securities is recognised as it is earned. Income on loans is taken up on an accrual basis except for non-performing loans. Non-Performing loans are those loan accounts where both principal and interest charge have been capitalized, refinanced and rolled over.

Interest income

Interest income for all interest bearing financial instruments except for those classified as available for sale or designated at fair value is recognized in the profit and loss using the effective interest rate method.

Interest income and expense are recognized in the profit and loss for all interest bearing instruments on an accrual basis

The effective interest rate method is a way of calculating the amortised cost of a financial asset or financial liability (or groups of financial assets or financial liabilities) and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Expenses are recognized on an accruals basis.

(d) Fixed assets and depreciation

Motor vehicle, Machinery and equipment and Furniture and fixtures are carried at initial cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives using the straight line method as follows:-

Motor vehicle	-	20%
Machinery and equipment	-	15% - 25%
Furniture and fixtures	-	10% - 15%

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount. The excess of the carrying amount above the recoverable amount is written off to the statement of income.

3. Summary of significant accounting policies (cont'd)

(d) Fixed assets and depreciation (cont'd)

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of income.

(e) Pension

The Company established a defined contributory pension scheme in the year 2001 to provide pension for its employees. The Scheme is being administered by the Guyana and Trinidad Mutual Life Insurance Company Limited. The only obligation of the company with respect to the retirement benefit plan is to make the specified contributions. During the year, the company's contribution to the Pension Scheme was G$ 2,252,838 (2012 - G$2,139,129).

Employees contribute 5% of their annual earnings to the scheme whilst employer contribute 10% of the employees' annual earnings.

(f) Loans

Loans to customers that have fixed or determinable payments and which are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised when installments are paid.

Loans receivable are recognized when cash is advanced to borrowers and are derecognized when borrowers repay their obligations or when written off.

Classification

The Company follows the prescription of the Financial Institutions Act 1995 and classifies loans into the following categories:-

Pass- represents loans demonstrating financial condition, risk factors and capacity to repay that are good to excellent and generally reflects accounts which are not impaired and are up-to-date in repayments or operating within approved limits as per the company's policy guidelines.

Special mention- represents satisfactory risk and includes credit facilities which require closer monitoring or which operates outside product guidelines, or which require various degrees of special attention, where the collateral is not fully in place; where current market conditions are affecting a sector or industry; and that are progressively between 30 and 90 days past due.

Sub-Standard -represents loans for which principal and interest is due and unpaid between 90 to 179 days or, where interest charges for the three to five months have been capitalized for reasons such as primary sources of repayment has become insufficient, and where appropriate, mortgages in arrears by greater than 90 days where the value of the collateral is sufficient to repay both principal and interest in the event the account is identified for recovery action.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(f) Loans (cont'd)

Classification (cont'd)

Doubtful/loss -represents loans accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations becomes protracted.

The Financial Institutions Act 1995 requires that a Financial Institution shall report in its monthly statement of assets and liabilities, the outstanding balance of its loan portfolio considered to be past due and those considered to be non-performing.

Past Due

A loan is classified as past due when:

(i) Principal or interest is due and unpaid for one month to less than three months or
(ii) Interest charges for one to two months have been capitalized, refinanced or rolled over.

Non- Performing Loans

For individually assessed accounts, loans are required to be designated as non-performing as soon as there is objective evidence that an impairment loss has been incurred. Objective evidence of impairment includes observable data such as when contractual payments of principal or interest are 90 days overdue. Portfolio of loans are designed as non- performing if facilities are 90 days or more overdue.

Loan Accounts reported as past due are reclassified and reported as non-performing when:

(i) Principal or interest is due and unpaid for three months or more, or
(ii) Interest charges for three months or more have been capitalized, refinanced or rolled over.

Loan losses

The Financial Institutions Act 1995 prescribes that a loan be classified as loss where one or more of the following conditions apply:

(i) An account is considered uncollectible.

(ii) An account classified as doubtful with little or no improvement over the twelve months period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(f) Loans (cont'd)

Classification (cont'd)

(iii) The unsecured portion of a loan with fixed repayment dates when:-

1) Principal or interest is due and unpaid for twelve months or more, or
2) Interest charges for twelve months or more have been capitalized, refinanced or rolled over
3) Principal or interest is due and unpaid for twelve months or more, or
4) Interest charges for twelve months or more have been capitalized, refinanced or rolled over.

Loans under this category include accounts which are considered uncollectible or for which the collection of the full debt is improbable; accounts which have shown little or no improvement over the twelve months period prior to its present classification; principal or interest is due and unpaid for twelve months or more; or an account which may have some recovery value but is not considered practical nor desirable to defer write-off, for example, where litigations become protracted.

The company writes off such loans twelve months after being so classified unless it shows a definite and significant improvement which indicates recovery within the next six months.

Collateral

It is the company's policy that all loans are fully and substantially secured. The usual collateral types accepted by the company are listed in note 20(c) (note on credit risks).

Loan Provisioning

It is the company's policy to provide for impaired loans in accordance with the Financial Institutions Act 1995 and International Accounting Standards.

Appropriate allowances for estimated unrecoverable amounts are recognised in profit or loss when there is objective evidence that the loan is impaired. The allowance is recognised based on management's evaluation of the collectibility of each individual or collectively assessed loan.

Upon classification of a loan to a non-accrual status, interest is not taken up in income on an accrual basis. In subsequent periods, interest is only recognized to the extent payments are received.

Individually assessed allowances for each classification categories are made based on the following minimum level:

Classification	**Level of Provision**
Pass	0%
Special Mention	0%
Sub Standard	0-20%
Doubtful	50%
Loss	100%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(f) Loans (cont'd)

Loan Provisioning (cont'd)

Collectively assessed allowances of 1% of the portion of the portfolio not individually assessed is also made.

Renegotiated Loans

The company's policy in relation to renegotiated loans is in accordance with the Financial Institutions Act (FIA) 1995 – Supervision Guidelines No. 5, paragraph No. 14. The Act states that a renegotiated loan is a loan which has been refinanced, rescheduled, hived-off, rolled over or otherwise modified because of weaknesses in the borrower's financial position or the non-repayment of the debt as arranged, where it has been determined by the Company that the terms of the renegotiated loan are such as to remedy the specific difficulties faced by the borrower.

A credit facility may also be renegotiated upon the request by the client, followed by a subsequent analysis and approval by the Company's credit committee; which may be due to the occurrence of one or both of the following conditions:

- The merging of total liabilities into one credit facility.
- The refinancing of a loan to facilitate the accessing of additional financing.

Renegotiated credit facilities are permitted subject to the following conditions:

The existing financial position of the borrower can service the debt under the new conditions.

- An account classified as doubtful or loss cannot be renegotiated unless an upfront cash payment is made to cover, at the least, unpaid interest or there is an improvement in the collateral taken which will make the renegotiated loan including unpaid interest, a well-secured account.

- a commercial loan shall not be renegotiated more than twice over the life of the original loan or mortgage, nor more than twice in a five-year period; and

- a renegotiated loan shall not be reclassified upward for a minimum of one year following the new arrangements.

Renegotiation of selected credit facilities can be facilitated upon approval granted by the Bank of Guyana/ Ministry of Finance on the occurrence of natural disasters or exceptional circumstances.

Impairment Losses

The company in its regular review for impairment of loans follows the requirements of the Financial Institutions Act 1995 with regards to provisioning.

3. Summary of significant accounting policies (cont'd)

(f) Loans (cont'd)

Renegotiated Loans (cont'd)

Effective interest rates

The Company's policy is to determine interest rates based on the following factors:-

- Prevailing rates
- Competitive rates
- Relationship with borrower
- Transactional cost
- Repayment risk involved
- Quality of security

The company aims for a spread of at least 6%.

(g) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the official or Cambio rates of exchange prevailing on the dates of the transaction.

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the official or Cambio rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the profit or loss for the period.

(h) Investment reserve

Fair value adjustments of "available for sale" investments are taken to this account. This reserve is non distributable.

(i) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(i) Taxation (cont'd)

The Company's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of each reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realized based on tax rates (tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

(j) Financial assets

Investments are recognized and derecognized on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets held by the Company are classified into the following specified categories 'cash resources' and 'loans and receivables' and are stated at amortised cost. The Company's investments are classified as available-for-sale and are stated at fair value. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(k) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. Summary of significant accounting policies (cont'd)

(l) Investments

Investments are recognized in the financial statements to comply with International Financial Reporting Standard.

The Company's investments are "available for sale" financial assets.

Investments available for sale are initially recognized at cost and adjusted to fair value at subsequent periods.

In classifying investment securities as available-for-sale, the Company has determined that these securities do not meet the criteria for loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Gains and losses on "available for sale financial assets" are recognized through the statement of profit or loss and other comprehensive income.

(m) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets, objective evidence of impairment could include:

- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re- organisation.
- Cash flow difficulties experienced by the borrower.
- Breach of loan covenants or condition
- Deterioration of the borrower's competitive position
- Deterioration in the value of the collateral
- Downgrading of the asset

For certain categories of financial asset, such as loan receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. Summary of significant accounting policies (cont'd)

(n) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(q) Financial liabilities

The Company's financial liabilities are classified as other financial liabilities.

3. **Summary of significant accounting policies (cont'd)**

(r) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

The Company derecognizes financial liabilities when the company's obligations are discharged, cancelled or expire.

(s) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to known amounts of cash, with maturity dates of three (3) months or less.

(t) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed or declared after the end of each reporting period are disclosed as a note to the financial statements.

(u) Business reporting division.

A business reporting division is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business divisions. A geographical division is engaged in providing products or a service within a particular economic environment that are subject to risks and returns that are different from those of divisions operating in other economic environments.

The Company's operations are considered a single business unit with certain activities segmented along geographical lines viz Guyana and outside of Guyana.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Impairment losses on loans

The Company on a regular basis reviews its portfolio of loans with a view of assessing impairment. This is done in addition to what is required under the Financial Institutions Act 1995 with respect to provisioning. Certain judgments are made that reflect the Company's assessment of several critical factors that can influence future cash flows.

ii) Useful lives of plant and equipment

Management reviews the estimated useful lives of plant and equipment at the end of each year to determine whether the useful lives of plant and equipment should remain the same.

iii) Impairment of financial assets

Management makes judgment at the end of each reporting period to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater that the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

iv) Available-for-sale financial assets

In classifying investment securities as available-for-sale, the Company has determined that these securities do not meet the criteria for loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss and are valued at fair value.

5. Assets held in Trust

Assets totaling G$ 23,464,941 (2012 – G$ 19,918,791) held in Trust which are not beneficially owned by the Company, but for which the Company has responsibilities in accordance with Trust Deeds, have been excluded from these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
		G$	G$
6	**Income**		
	Loans (i)	133,737,053	105,175,496
	Management fees	66,690,840	68,372,767
	Brokerage fees	3,760,872	4,083,854
	Interest	142,465	168,488
	Investment income (ii)	1,818,546	2,142,042
	Others	18,093,855	3,334,235
		224,243,631	183,276,882
	(ii) Investment income		
	Available for sale	1,818,546	2,142,042

(i) This is income derived from loans granted to customers
(ii) This is income from available-for-sale investments

		2013	2012
7	**Profit after taxation**	G$	G$
	Profit after taxation	107,601,459	75,635,065
	After charging:		
	Auditors' remuneration (a)	915,892	809,987
	Interest expenses	15,071,910	10,146,633
	Depreciation	2,165,856	3,021,505
	Directors' emoluments (b)	1,364,000	1,240,000
	Provision for impairment on loan	-	4,656,019
	After crediting:		
	Gain on disposal of fixed assets	-	4,194
	(a) Auditors' remuneration		
	Audit services	497,431	429,000
	Taxes and related services and expenses	418461	380,987
		915,892	809,987
	(b) Directors' emoluments		
	Chairman	396,000	360,000
	Four (4) directors	968,000	880,000
		1,364,000	1,240,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G$	2012 G$
8 Taxation		
Reconciliation of tax expense and accounting profit		
Accounting profit	148,071,205	108,993,118
Corporation tax at 30%	44,421,361	32,697,935
Add:		
Tax effect of expense not deductible in determining taxable profits		
Depreciation for accounting purposes	649,757	906,452
Gain on disposal of shares/fixed assets	(4,917,353)	(1,258)
Property tax	1,504,705	1,353,933
	41,658,470	34,957,062
Deduct:		
Tax effect of depreciation for tax purpose	(576,632)	(570,547)
Tax exempt income	(545,564)	(693,159)
Corporation tax	40,536,274	33,693,356
Deferred tax	(66,528)	(335,303)
	40,469,746	33,358,053
Current tax	40,536,274	33,693,356
Deferred tax	(66,528)	(335,303)
	40,469,746	33,358,053
Components of deferred tax assets		
Fixed assets	1,222,534	1,156,006

Movement in temporary differences

	Fixed assets G$
At 1 January 2012	658,533
Movement during year	335,303
At 31 December 2012	1,156,006
Movement during year	66,528
At 31 December 2013	1,222,534

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

9 Basic earnings per share

Calculated as follows:

	2013 G$	2012 G$
Profit after taxation	107,601,459	75,635,065
Ordinary shares issued and fully paid	249,183,753	249,183,753
Basic earnings per share in dollars	0.43	0.30

10 Fixed assets

	Motor vehicle G$	Machinery and equipment G$	Furniture and fixtures G$	Total G$
Cost				
At 1 January 2013	12,589,006	5,820,604	7,200,464	25,610,074
Additions	-	1,141,624	-	1,141,624
Disposals	-	(671,900)	-	(671,900)
At 31 December 2013	12,589,006	6,290,328	7,200,464	26,079,798
Depreciation				
At 1 January 2013	10,595,882	4,397,316	6,955,361	21,948,559
Charge for the year	1,541,313	588,550	35,993	2,165,856
Write back on disposals	-	(671,900)	-	(671,900)
At 31 December 2013	12,137,195	4,313,966	6,991,354	23,442,515
Net book values:				
At 31 December 2013	451,811	1,976,362	209,110	2,637,283
At 31 December 2012	1,993,124	1,423,828	245,103	3,662,055

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

11 Investments

	2013		2012	
	Cost G$	Fair value G$	Cost G$	Fair value G$
(a) Available for sale	**10,600,000**	**10,600,000**	**16,206,283**	**29,013,490**

	2013 G$	2012 G$
(b) Income from investment		
Available for sale	1,818,546	2,142,042

12 Loans

	2013 G$	2012 G$
Loans	1,453,447,849	1,197,041,544
Less: Impairment allowances (Note (a))	55,726,616	55,726,616
At 31 December	1,397,721,233	1,141,314,928
(a) Impairment allowances		
Individually assessed impairment		
At 1 January	55,726,616	51,070,597
Movement during the year	-	4,656,019
At 31 December	55,726,616	55,726,616
Performing loan accounts	1,397,721,233	1,141,314,928
Non-performing loan accounts	55,726,616	55,726,616
	1,453,447,849	1,197,041,544

Loans are carried at amortised cost subject to a test for impairment.
Interest rates ranged from 9.75% to 12.17% and terms of repayments from 3 months to a maximum of 15 years.

The undiscounted fair value of collateral that the Company held relating to loans individually determined to be impaired at 31 December , 2013 amounted to $ 446,935,000(2012: $418,135,000). The collateral consists of cash, securities and properties.

Collateral realised

During the year, the Company did not realise any collateral - (2012 - Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

13 Share capital

	2013 G$	2012 G$
Authorised		
Number of ordinary shares	300,000,000	300,000,000
Issued and fully paid		
249,183,753 ordinary shares	250,236,000	250,236,000

These shares are all ordinary shares with equal voting rights and equal rights to dividend.

	2013 G$	2012 G$
14 Investment reserve		
At 1 January	12,807,207	4,631,901
Adjustment for the year	(12,807,207)	8,175,306
At 31 December	-	12,807,207

This represents the fair value adjustments of avaliable for sale investments held and is non-distributable.

15 Other debtors and accrued interest

	2013 G$	2012 G$
Accrued interest	4,136,563	**3,137,066**
Others	-	120,096
	4,136,563	**3,257,162**

16 Other payables and accruals

	2013	2012
Accruals	807,874	728,814
Other payables	6845367	6,363,245
	7,653,241	7,092,059

	2013	2012
17 Customers investment	763,336,763	646,336,762

Funds held on behalf of specific investment customers are invested into a collective fund with the Trust Company.

Interest at 2.75% - 3% (2012 - 2.75%-3.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

18 Related party transactions and other disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Listed below are transactions and balances with related parties:

	2013 G$	2012 G$
Key management personnel		
(i) Compensation of key management personnel		
The company's four (4) key management personnel comprises of its Managing Director, Finance/Administrative Assistant and two Officers. The remuneration paid to key management personnel during the year was as follows:		
Short term employee benefits	13,080,396	13,560,490
Post-employment benefits	2,252,838	2,139,129
	15,333,234	15,699,619
Directors' emoluments- (note 7 (b))	1,364,000	1,240,000
(ii) Loans		
Balance at end of year	24,676,118	8,114,472
Employees of the company are granted loans at concessionary rates of interest.		
No provision was made for loan losses to related parties.		
(iii) Directors loans		
Balance at end of year	19,854,364	35,142,993

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

18 Related party transactions and other disclosures (cont'd)

	2013 G$	2012 G$
Other disclosures:		
The following are transactions with companies that share common directors with the company.		
Demerara Bank Limited		
Deposit accounts	8,316,222	77,148,119
Guarantees	13,500,000	36,500,000
Diamond Fire and General Insurance		
Investments in Shares	10,500,000	10,500,000
Premium paid	259,628	252,428
Dividend received	540,000	360,000
Institute of Private Enterprise Development Inc.		
Customer's account		
Interest rate of 2.75% to 3%	62,535,000	62,535,000

19 Analysis of financial assets and liabilities by measurement basis

2013	Available for sale G$	Loans and receivables G$	Other financial assets and liabilities at amortised cost G$	Total G$
ASSETS				
Investments	10,600,000	-	-	10,600,000
Loans	-	1,397,721,233	-	1,397,721,233
Other debtors and accrued interest	-	4,136,563	-	4,136,563
Tax recoverable	-	3,102,869	-	3,102,869
Cash on hand and at bank	-	-	10,286,785	10,286,785
Total assets	10,600,000	1,404,960,665	10,286,785	1,425,847,450
LIABILITIES				
Other payables and accruals	-	-	7,653,241	7,653,241
Taxes payable	-	-	6,093,370	6,093,370
Customers investment	-	-	763,336,763	763,336,763
Total liabilities	-	-	777,083,374	777,083,374

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

19 Analysis of financial assets and liabilities by measurement basis (cont'd)

2012	Available for sale G$	Loans and receivables G$	Other financial assets and liabilities at amortised cost G$	Total G$
ASSETS				
Investments	29,013,490	-	-	29,013,490
Loans	-	1,141,314,928	-	1,141,314,928
Other debtors and accrued interest	-	3,257,162	-	3,257,162
Tax recoverable	-	3,064,169	-	3,064,169
Cash on hand and at bank	-	-	77,168,119	77,168,119
Total assets	29,013,490	1,147,636,259	77,168,119	1,253,817,868
LIABILITIES				
Other payables and accruals	-	-	7,092,059	7,092,059
Taxes payable	-	-	2,524,391	2,524,391
Customers investment	-	-	646,336,762	646,336,762
Total liabilities	-	-	655,953,212	655,953,212

20 Financial risk management

Financial risk management objectives

The company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The company seeks to minimise the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The company's management reports monthly to the board of directors on matters relating to risk and management of risk

(a) Market risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company uses gap analysis,interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the company's exposure to market risks or the manner in which it manages these risks.

20 Financial risk management (cont'd)

Financial risk management objectives (cont'd)

(a) Market risk (cont'd)

(i) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimize the risk.

The Company is not significantly exposed to other price risks arising from equity investments.

(ii) Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for all financial instruments at the end of the reporting period. The analysis is prepared assuming the amounts of the financial instruments at the end of the reporting period were in existence throughout the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, (2012: G$474,189). This is mainly attributable to the Company's exposure to interest rates on its variable rate loans receivables and balances at banks.

The Company's sensitivity to interest rates has increased during the current period mainly due to cash at bank.

(iii) Interest rate risk

Interest risk is the risk that the financial instruments will fluctuate due to changes in market interest rates.

The Company is exposed to various risks that are associated with the effects of variations in interest rates. This impacts directly on its cash flows.

The Company's management continually monitors and manages these risks through the use of appropriate tools and implements relevant strategies to hedge against any adverse effects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20 Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Interest rate risk (cont'd)

Interest rate risk tables

	Average Interest rate	Maturing 2013				
		Within 1 year	Within 2 to 5 years	Over 5 years	Non- interest Bearing	Total
	%	G$	G$	G$	G$	G$
Assets						
Investments		-	-		10,600,000	10,600,000
Loans (net)	9.75-12.17	28,315,252	629,489,743	739,916,238	-	1,397,721,233
Other debtors and accrued interest		-	-	-	4,136,563	4,136,563
Tax recoverable		-	-	-	3,102,869	3,102,869
Cash on hand and cash at bank		-	-	-	10,286,785	10,286,785
		28,315,252	629,489,743	739,916,238	28,126,217	1,425,847,450
Liabilities						
Other payables and accruals		-	-	-	7,653,241	7,653,241
Taxation		-	-	-	6,093,370	6,093,370
Customers investment	3	763,336,763	-	-	-	763,336,763
		763,336,763	-	-	13,746,611	777,083,374
Interest sensitivity gap		(735,021,511)	629,489,743	739,916,238		

	Average Interest rate	Maturing 2012				
		Within 1 year	Within 2 to 5 years	Over 5 years	Non- interest Bearing	Total
	%	G$	G$	G$	G$	G$
Assets						
Investments	11	-	-	1,913,490	27,100,000	29,013,490
Loans (net)	5-17'	73,962,310	1,067,352,618	-	-	1,141,314,928
Other debtors and accrued interest		-	-	-	3,257,162	3,257,162
Tax recoverable		-	-	-	3,064,169	3,064,169
Cash on hand and cash at bank			-	-	77,168,119	77,168,119
		73,962,310	1,067,352,618	1,913,490	110,589,450	1,253,817,868
Liabilities						
Other payables and accruals		-	-	-	7,092,059	7,092,059
Taxation		-	-	-	2,524,391	2,524,391
Customers investment	4	646,336,762	-	-	-	646,336,762
		646,336,762	-	-	9,616,450	655,953,212
Interest sensitivity gap		(572,374,452)	1,067,352,618	1,913,490		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20 Financial risk management (cont'd)

(a) Market risk (cont'd)

(iv) Currency Risk

The company's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from cash resources and investments.

The currency which the company is mainly exposed to is United States Dollars. This risk is considered to be insignificant.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The company's policy is to maintain a strong liquidity position and to manage the liquidity profile of asset, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations met when due.

It is unusual for a company to have the maturities of its assets and liabilities completely matched since business transacted is often of uncertain term and differing types. As such the matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the company.

The information given below relates to the major financial assets and liabilities based on the remaining period at 31 December to the contractual maturity dates.

Liquidity risk tables

	Maturing 2013					
	Within 1 year			Over		
	On demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	5 years	Total
	G$	G$	G$	G$	G$	G$
Assets						
Investments - non-interest bearing	-	-	-	-	10,600,000	10,600,000
Loans (net)	-	9,088,949	45,959,031	662,788,306	679,884,947	1,397,721,233
Other debtors and accrued interest	-	-	4,136,563	-	-	4,136,563
Tax recoverable	-	-	3,102,869	-	-	3,102,869
Cash on hand and cash at bank	10,286,785	-	-	-	-	10,286,785
	10,286,785	9,088,949	53,198,463	662,788,306	690,484,947	1,425,847,450
Liabilities						
Other payables and accruals	-	-	7,653,241	-	-	7,653,241
Taxation	-	-	6,093,370	-	-	6,093,370
Customers investment	-	-	763,336,763	-	-	763,336,763
	-	-	777,083,374	-	-	777,083,374
Net assets/(liabilities)	10,286,785	9,088,949	(723,884,911)	662,788,306	690,484,947	648,764,076

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20 Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

Liquidity risk tables (cont'd)

	Maturing 2012					
	Within 1 year			Over		
	On demand	Due in 3 mths	Due 3 - 12 mths	2 to 5 years	5 years	Total
	G$	G$	G$	G$	G$	G$
Assets						
Investments - interest bearing	-	-	-	-	1,913,490	1,913,490
Investments - non-interest bearing	-	-	-	-	27,100,000	27,100,000
Loans (net)	-	415,759	73,546,551	1,067,352,618	-	1,141,314,928
Other debtors and accrued interest	-	-	3,257,162	-	-	3,257,162
Tax recoverable	-	-	3,064,169	-	-	3,064,169
Cash on hand and cash at bank	77,168,119	-	-	-	-	77,168,119
	77,168,119	415,759	79,867,882	1,067,352,618	29,013,490	1,253,817,868
Liabilities						
Other payables and accruals	-	-	7,092,059	-	-	7,092,059
Taxation	-	-	2,524,391	-	-	2,524,391
Customers investment	-	-	646,336,762	-	-	646,336,762
	-	-	655,953,212	-	-	655,953,212
Net assets/(liabilities)	77,168,119	415,759	(576,085,330)	1,067,352,618	29,013,490	597,864,656

(c) Credit risk

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The table below shows the Company's maximum exposure to credit risk.

	2013	2012
Gross maximum exposure:	G$	G$
Investments: Avaliable for sale	10,600,000	29,013,490
Loans receivable	1,397,721,233	1,141,314,928
Other receivables	4,136,563	3,257,162
Cash resources	10,286,785	77,168,119
Tax recoverable	3,102,869	3,064,169
Total credit risk exposure	**1,425,847,450**	**1,253,817,868**

20 Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

Where financial instruments are recorded at fair value the amounts shown above represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Collateral and other enhancements

The company maintains credit risk exposure within acceptable parameters through the use of collateral as a risk- mitigation tool. The amounts and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are cash or securities, charges over real estate properties, inventory and trade receivables and mortgages over residential properties.

Management monitors the market value of collateral, request additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment losses.

It is the company's policy's to dispose of repossessed properties in an orderly fashion. The proceeds are used to repay the outstanding claim. In general, the company does not occupy repossessed properties for business use.

Concentration of risk is managed by client/counterparty, by geographical region and by industry sector as detailed in the following:

(i) Geographical sectors

The company's maximum credit exposure, after taking account of credit loss provisions established but before taking into account any collateral held and other credit enhancements, can be analysed by the following geographical sectors based on the country of domicile of counterparties:

	2013 G$	2012 G$
Guyana	1,423,896,887	1,251,904,378
Brazil	-	1,913,490
Canada	1,950,563	-
	1,425,847,450	1,253,817,868

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20 Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

Collateral and other enhancements (cont'd)

(ii) Industry sectors'

The following table breaks down the company's maximum credit exposure as categorised by the industry sector:

	2013	2012
	G$	G$
Services	1,056,358,082	610,852,332
Manufacturing	6,921,149	24,355,636
Household	323,712,993	513,215,799
Agriculture	4,608,160	5,067,165
Motor vehicle	41,585,757	24,352,455
Mining	10,849,166	-
Education	9,412,542	19,198,157
	1,453,447,849	1,197,041,544
Impairment allowances	(55,726,616)	(55,726,616)
	1,397,721,233	**1,141,314,928**

Credit risk is the risk that financial loss arises from failure of customers or counter party to meet its obligations under a contract. It arises principally from loans, cash resources, investments and receivables.

The objective of the company's credit risk management is to optimally manage its credit risk exposure so as to:

- Not adversely affect its profitability.
- Maintain the public's confidence in its assets quality and to continue as a going concern.
- Assure shareholders of the company's solvency.
- Comply with the requirements of the prevailing laws and Financial Insitution regulations.
- Assure an orderly and balanced growth of its assets over time.

20 Financial risk management (cont'd)

(c) Credit risk (cont'd)

In controlling and monitoring credit risk, the company has adopted standard policies and procedures under which each new customer is analysed individually for credit worthiness. The policies include, but, are not limited to:

i. An interview, at which information is gathered on the applicant's ability to manage its finances.

ii. Collaterals offered must be evaluated

iii. A physical inspection of collateral must be carried out to ensure that there are no conflicts with the valuators opinion.

iv. Loans are generally collateralised with some or all of the following:

- Cash
- Mortgages
- Debentures
- Bills of sale
- Shares
- Guarantees
- Assignment of Salary
- Assignment of Insurance Policies
- Promissory Notes

v. Funds are disbursed only when collateral is perfected.

vi. If and when credit is granted to the customer, periodic visits are made to customers to assess the state of the collateral and/ or to ensure that the purpose of the loan is being fulfilled.

vii. The loans officer is required to track all loans approved to ensure repayments are made in accordance with the loan agreements. Potential problems are identified and relevant actions are taken to avoid the loan from becoming non-performing.

viii. The exposure to any one borrower or group of borrowers is restricted by limits covering on and off-balance sheet exposures set out in the Financial Institutions Act 1995.

ix. Non-performing accounts are provided for or written-off in accordance with accepted accounting principles and Financial Institutions Act 1995.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20 Financial risk management (cont'd)

(c) Credit risk (cont'd)

Credit quality per category of financial assets

Loans receivable

In assessing the credit quality of loans, the company adheres to the requirements set out by the Financial Institutions Act 1995. The following information is based on these requirements.

	2013 G$	2012 G$
Neither past due nor impaired	1,397,721,233	1,115,527,258
Past due but not impaired	-	25,787,670
Impaired	55,726,616	55,726,616
	1,453,447,849	1,197,041,544
Past Due but not Impaired		
Past due more than 1 year	-	25,787,670

During the year a number of customers who were past due brought their loans into a current position. In addition two loans were restructured.

Renegotiated Loans.
The carrying amount of all renegotiated loans aggregated to:

	2013 G$	2012 G$
Renegotiated loans	9,610,603	10,189,763

At the reporting date, there were no significant concentrations of credit risk for loans.
There is no special collateral requirement relating to concentration of risks.

Investments-Avaliable for sale

The debt securities within the Company's investments security portfolio are exposed to credit risk. The credit quality of each individual security is internally assessed based on the financial strength, reputation and market position of the issuing company and the ability of that company to service the debt. The level of credit risk thus assessed and associated with the security is assigned to a risk premium. These premiums are defined as follows:

Superior: Government and Government Guaranteed securities and securities secured by a letter of comfort from the Government. These securities are considered risk free.

Desirable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has good financial strength and reputation.

20 Financial risk management (cont'd)

(c) Credit risk (cont'd)

Investments - Available for sale (cont'd)

Acceptable: Corporate securities that are current and being serviced in accordance with the terms and conditions of the underlying agreements. Issuing company has fair financial strength and reputation.

Sub-standard: These securities are either more than 90 days in arrears but are not considered impaired, or have been restructured in the past financial year.

The table below illustrates the credit quality of debt security investments as at December 31:

	Superior	Desirable	Acceptable	Sub-standard	Total
	G$	G$	G$	G$	G$
Financial Investments:					
Avaliable for sale					
2013	-	10,600,000	-	-	10,600,000
2012	1,913,490	27,100,000	-	-	29,013,490

(d) Operational risk

The growing sophistication of the financial sector and the impact of the Global Financial Crisis has made the company's operational risk profile more complex. Operational risk is inherent in all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The company recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The company's operational risk committee oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

21 Contingent liabilities

The company was contingently liable as at 31 December as Guarantor for credit facilities extended

	2013	2012
	G$	G$
Guarantees	13,500,000	24,500,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 G$	2012 G$
22 Dividends		
Prior year dividends paid G$ 0.18 per share (2012 - G$0.16)	44,853,076	39,869,400
The Directors recommend a dividend of G$0.22 per share (2012 - G$0.18)	54,820,426	44,853,076

The proposed final dividend is subject to approval by the shareholers at the annual general meeting and has not been included as a liability in the financial statements.

23 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.
The Company's overall strategy remains unchanged from 2012.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity shareholders, comprising issued capital, reserves and retained earnings.

Gearing ratio

The Company's management reviews the capital structure on an on-going basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.
The Company has not set a target gearing ratio .

The company has no borrowings and gearing ratio.

24 Fair value of financial instruments

Fair values have been determined as follows:

	2013		2012	
	Carrying value	Market value	Carrying value	Market value
	G$	G$	G$	G$
Assets				
Investments	10,600,000	10,600,000	29,013,490	29,013,490
Loans receivables	1,397,721,233	1,397,721,233	1,141,314,928	1,141,314,928
Other receivables	4,136,563	4,136,563	3,257,162	3,257,162
Cash resources	10,286,785	10,286,785	77,168,119	77,168,119
Tax recoverable	3,102,869	3,102,869	3,064,169	3,064,169
	1,425,847,450	1,425,847,450	1,253,817,868	1,253,817,868
Liabilities				
Taxes payable	6,093,370	6,093,370	2,524,391	2,524,391
Other payables and accruals	7,653,241	7,653,241	7,092,059	7,092,059
Customers investment	763,336,763	763,336,763	646,336,762	646,336,762
	777,083,374	777,083,374	655,953,212	655,953,212

Valuation techniques and assumptions applied for the purposes of measuring fair value:

The fair value of financial assets and financial liabilities were determined as follows:

(a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets were determined with reference to quoted market prices. Quoted market prices were obtained from independent market valuators.

(b) The fair value of other financial assets and financial liabilities were determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions and the company's past experience.

(c) Loans are net of specific and other provisions for impairment. The fair value of loans is based on expected realisation of outstanding balances taking into account the company's history with respect to delinquencies.

(d) Financial instruments where the carrying amounts are equal to fair value :- Due to the short maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair value. These includes cash resources, other receivables other payables and accruals and customers investment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

24 Fair value of financial instruments (cont'd)

Fair values have been determined as follows:

Fair value measurements recognised in the statement of financial position

The following is an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2013		
	Level 2	Level 3	Total
	G$	G$	
Available for sale:			
Shares in local companies	-	10,600,000	10,600,000

	2012		
	Level 2	Level 3	Total
	G$	G$	
Available for sale:			
Shares in local companies	16,500,000	10,600,000	27,100,000
Government bonds	1,913,490	-	1,913,490
	18,413,490	10,600,000	29,013,490

There were no transfers between Level 2 and 3 in the period.

Reconciliation of Level 3 fair value measurement of financial assets:

	Available -for-sale	
	2013	2012
	G$	G$
At 1 January	29,013,490	14,565,631
Movement during the year	(18,413,490)	14,447,859
At 31 December	10,600,000	29,013,490

25 Pending litigations

At the end of the reporting period, there was no pending litigation against the company.

The company is the claimant in several litigation matters involving defaulting customers. The Directors are of the opinion that no provision for any contingency is necessary.

Form of Proxy

The Secretary
Trust Company (Guyana) Limited
230 Camp & South Streets
Georgetown
Guyana

I/We ....

of ....

a Member / Members of **TRUST COMPANY (GUYANA) LIMITED** hereby appoint

....

of ....

or in his/ her absence ....

of ....

as my/ or Proxy to vote in my/ our name (s) and on my/ our behalf upon any matter proposed at the 48th Annual General Meeting of the Trust Company to be held on July 11, 2014 or any adjournment thereof in such manner as such Proxy may think proper.

As witness my hand .... day of .... 2014 ....

Signed by the said ....

(Name of Member(s)) ....

(Signature of Member(s)) ....

Note: *To be valid this form must be completed and deposited with the Secretary at least 48 hours before the time appointed for the meeting or adjourned meeting.*

TRUST COMPANY (GUYANA) LIMITED
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E-mail: trust@trustcompanygy.com