



Financial Statements

YEAR ENDED 31ST DECEMBER 2009



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31 December 2009

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First Regional Co-operative Credit Union Limited

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Independent Auditors' Report

To the Registrar of Co-operative Societies
Re: First Regional Co-operative Credit Union Limited

Report on the Financial Statements

We have audited the accompanying financial statements of First Regional Co-operative Credit Union Limited, set out on pages 1 to 55, which comprise the statement of financial position as of 31 December 2009, statement of 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.

Management's Responsibility for the Financial Statements

Management is 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 auditor's 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.

Registrar of Co-operative Societies
Re: First Regional Co-operative Credit Union Limited
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Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Co-operative Societies Act.

Report on Other Legal and Regulatory Requirements

As required by the Co-operative Societies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required.


Chartered Accountants

30 March 2010
Montego Bay, Jamaica



Statement of Comprehensive Income

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

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First Regional Co-operative Credit Union Limited

	Note	2009 \$'000	Restated 2008 \$'000
Interest Income			
Interest on members' loans		260,632	238,239
Interest on liquid assets		19,738	10,260
Interest on investments		67,444	53,132
		<u>347,814</u>	<u>301,631</u>
Interest Expense			
Interest on members' fixed deposits		18,408	16,876
Interest on members' other deposits		15,869	14,636
Interest on members' voluntary shares		50,000	45,002
Other financial costs		8,263	7,752
Bank charges		2,059	3,876
Interest on external credit		-	24
		<u>94,599</u>	<u>88,166</u>
Net Interest Income		253,215	213,465
Loan impairment provision, net of recoveries	14	<u>(23,777)</u>	<u>(22,692)</u>
Net Interest Income after Impairment Losses on Loans		229,438	190,773
Non-Interest Income			
Fees and other income	6	<u>18,153</u>	<u>6,113</u>
Net Interest and Other Income		<u>247,591</u>	<u>196,886</u>
Operating Expenses			
Administrative		141,308	115,722
Other operating expenses		22,774	17,386
	7	<u>164,082</u>	<u>133,108</u>
Net Surplus		<u>83,509</u>	<u>63,778</u>
Total Comprehensive Income		<u>83,509</u>	<u>63,778</u>



Statement of Financial Position

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

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First Regional Co-operative Credit Union Limited

	Note	2009 \$'000	Restated 2008 \$'000	Restated 2007 \$'000
ASSETS				
Earning Assets				
Liquid Assets				
Savings and call deposits	10	50,062	65,939	50,050
Short-term investments	11	260,386	205,709	186,179
		310,448	271,648	236,229
Reverse Repurchase Agreements	12	134,944	90,298	62,015
Financial Investments	13	167,200	147,661	192,426
Loans to Members , net of impairment provision	14	1,558,444	1,426,771	1,288,242
		<u>2,171,036</u>	<u>1,936,378</u>	<u>1,778,912</u>
Non-Earning Assets				
Liquid Assets				
Cash and bank balances	15	8,625	13,033	7,191
Other Assets				
Accounts receivable	16	36,178	29,764	23,773
Assets held for sale	17	-	7,802	7,802
		36,178	37,566	31,575
Intangible Assets	18	428	2,379	3,431
Property, Plant and Equipment	19	30,140	16,810	17,223
Investment Property	20	6,712	-	-
Retirement Benefit Asset	21	32,183	29,569	24,318
		<u>114,266</u>	<u>99,357</u>	<u>83,738</u>
		<u>2,285,302</u>	<u>2,035,735</u>	<u>1,862,650</u>



Statement of Financial Position

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

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First Regional Co-operative Credit Union Limited

	Note	2009 \$'000	Restated 2008 \$'000	Restated 2007 \$'000
LIABILITIES AND EQUITY				
Liabilities				
Interest Bearing Liabilities				
Members' deposits	22	558,929	478,353	449,847
Members' voluntary shares	23	1,185,658	1,106,044	1,017,762
Bank overdraft	24	2,323	-	5,976
External loan	25	-	38	771
		<u>1,746,910</u>	<u>1,584,435</u>	<u>1,474,356</u>
Non-Interest Bearing Liabilities				
Accounts payable	26	<u>19,267</u>	<u>16,731</u>	<u>17,503</u>
		<u>1,766,177</u>	<u>1,601,166</u>	<u>1,491,859</u>
Equity				
Members' permanent share capital	27	<u>1,047</u>	<u>-</u>	<u>-</u>
Institutional capital	28	<u>316,810</u>	<u>268,927</u>	<u>238,242</u>
Non-institutional capital	29	<u>64,028</u>	<u>88,738</u>	<u>81,319</u>
Accumulated surplus		<u>137,240</u>	<u>76,904</u>	<u>51,230</u>
		<u>519,125</u>	<u>434,569</u>	<u>370,791</u>
		<u>2,285,302</u>	<u>2,035,735</u>	<u>1,862,650</u>

Approved for issue on behalf of the Board of Directors on 30 March 2010 and signed on its behalf by:

James Walsh Director

Norma Walters Director



Statement of Changes in Equity

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

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First Regional Co-operative Credit Union Limited

	Note	Members' Permanent Share Capital \$'000	Institutional Capital \$'000	Non- Institutional Capital \$'000	Accumulated Surplus \$'000	Total \$'000
Balance at 1 January 2008, as restated		-	238,242	81,319	51,230	370,791
Total comprehensive income, as restated		-	-	-	63,778	63,778
Appropriations from 2008 surplus -						
Transfer to institutional capital	28	-	29,524	-	(29,524)	-
Transfer to other reserves	29	-	-	7,419	(7,419)	-
Entrance fees	28	-	1,161	-	(1,161)	-
Balance at 31 December 2008, as restated		-	268,927	88,738	76,904	434,569
Total comprehensive income		-	-	-	83,509	83,509
Share capital received	27	1,047	-	-	-	1,047
Appropriations from 2009 surplus -						
Transfer to institutional capital	28	-	46,596	-	(46,596)	-
Transfer from non-institutional capital	29	-	-	(24,910)	24,910	-
Transfer to share transfer fund	29	-	-	200	(200)	-
Entrance fees	28	-	1,287	-	(1,287)	-
Balance at 31 December 2009		1,047	316,810	64,028	137,240	519,125



Statement of Changes in Equity

31 December 2009

(expressed in Jamaican dollars unless otherwise indicated)

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First Regional Co-operative Credit Union Limited

	Note	Institutional Capital			Total \$'000
		Statutory Reserve \$'000	General Reserve \$'000	Permanent Capital Reserve \$'000	
Balance at 1 January 2008, as restated		210,800	27,442	-	238,242
Appropriations from 2008 surplus -					
20% statutory reserve	28	21,524	-	-	21,524
Transfer from accumulated surplus		8,000	-	-	8,000
Transfer from general reserve		27,442	(27,442)	-	-
Entrance fees		1,161	-	-	1,161
Balance at 31 December 2008, as restated		268,927	-	-	268,927
Appropriations from 2009 surplus -					
20% statutory reserve	28	16,444	-	-	16,444
Transfer from accumulated surplus		24,713	-	5,439	30,152
Entrance fees	28	1,287	-	-	1,287
Balance at 31 December 2009		311,371	-	5,439	316,810

	Note	Non-Institutional Capital				Total \$'000
		Retirement Benefit Asset Reserve \$'000	Loan Loss Reserve \$'000	Capital Expenditure Reserve \$'000	Share Transfer Fund \$'000	
Balance at 1 January 2008 as restated		24,318	16,747	40,254	-	81,319
Transfer of increase in retirement benefit asset	29	5,251	-	-	-	5,251
Transfer from accumulated surplus	29	-	2,168	-	-	2,168
Balance at 31 December 2008, as restated		29,569	18,915	40,254	-	88,738
Transfer of increase in retirement benefit asset	29	2,614	-	-	-	2,614
Transfer (to) /from accumulated surplus	29	-	(18,915)	(8,609)	200	(27,324)
Balance at 31 December 2009		32,183	-	31,645	200	64,028