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Social Security Board

Financial Statements for the Years Ended December 31, 2017 and 2016 and Independent Auditors' Report

SOCIAL SECURITY BOARD

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INDEPENDENT AUDITORS' REPORT

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To the Board of Directors:
Social Security Board:

Opinion
We have audited the financial statements of Social Security Board, which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of profit, statement of other comprehensive income, statements of changes in reserves and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Social Security Board as at December 31, 2017 and 2016, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs), and requirement of the Financial and Accounting Regulations of the Social Security Act, Chapter 44, Revised Edition 2000-2003.

Basis for Opinion
We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Social Security Board in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Social Security Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Social Security Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Social Security Board.

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Independent Auditors' Report
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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

Grant Thornton

Chartered Accountants
Belize City, Belize
August 1, 2018

SOCIAL SECURITY BOARD

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

ASSETS	**Notes**	**2017**	2016
Current assets:			
Cash and cash equivalents	2g, 2h, 4	**$ 30,943,472**	$ 29,345,288
Short term investments	2g, 2i, 5	**27,272,010**	80,269,005
Investment income receivable	2g, 6	**10,320,025**	10,145,635
Office supplies	2j	**254,056**	248,526
Accounts receivable	2g, 2k, 7	**1,395,773**	4,013,378
Prepayments	2l	**429,999**	335,924
Current portion loans receivables	2g, 10	**13,744,300**	12,065,148
Total current assets		**84,359,635**	136,422,904
Non-current assets:			
Investment in associates	2m, 8	**208,550,262**	155,215,809
Long term investments	2g, 9	**94,892,402**	74,811,153
Loan principal receivable- net	2g,10	**113,489,016**	116,443,190
Held for sale	11	**11,268,477**	11,278,013
Other assets	12	**1,066,800**	1,082,400
Intangible asset	2n, 13	**1,720,678**	1,586,157
Fixed assets	2o, 14	**25,225,551**	25,557,486
Total non-current assets		**456,213,186**	385,974,208
TOTAL ASSETS		**$540,572,821**	$522,397,112
LIABILITIES AND RESERVES			
Current liabilities:			
Accounts payable and accruals	2g, 15	**$ 10,907,343**	$ 7,784,489
Severance payable current portion	2g, 16	**220,084**	204,337
. Total current liabilities		**11,127,427**	7,988,826
Long term liabilities:			
Pension liability	2p, 17	**293,767**	488,766
Severance payable	2g, 16	**2,383,098**	1,157,909
Total long term liabilities		**2,676,865**	1,646,675
Total liabilities		**13,804,292**	9,635,501
Reserves:			
Short term benefits branch		**13,277,875**	16,335,484
Long term benefits branch		**431,198,867**	428,336,829
Employment injury benefits reserve		**64,330,373**	49,926,971
Disablement and death benefits reserves	2u	**14,546,369**	15,596,503
National health insurance fund		**2,206,294**	1,960,173
Natural disaster fund		**1,301,076**	1,051,076
Social development fund		**201,442**	43,342
Pension reserve	2p, 17	**(293,767)**	(488,767)
Total reserves		**526,768,529**	512,761,611
TOTAL LIABILITIES AND RESERVES		**$540,572,821**	$522,397,112

The financial statements on pages 3 to 8 were approved and authorized for issue by the Board of Directors on July 26, 2018 and are signed on its behalf by:

Chairman **Director**

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF PROFIT

YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	Notes	2017	2016
INCOME	2q		
Contributions:			
Employers and employed persons		**$ 82,610,532**	$ 80,091,685
Other income:			
Net investment income	18	**23,888,586**	26,268,696
Other income – net	19	**1,084,836**	554,625
GOB contribution to NHI Fund	2r	**17,000,004**	17,000,004
Total other income		**41,973,426**	43,823,325
TOTAL INCOME		**124,583,958**	123,915,010
EXPENDITURES			
Benefits:	2t		
Short term benefits branch		**15,232,967**	12,843,089
Long term benefits branch		**49,859,411**	45,082,437
Employment injury benefits branch		**3,308,764**	3,813,426
Disablement and death benefits		**2,100,889**	2,106,544
National health insurance benefits		**15,822,665**	16,141,065
Total benefits		**86,324,696**	79,986,561
Operating expenses:			
Administration	20	**22,441,977**	19,278,335
Establishment	21	**1,094,820**	1,113,256
Financial		**185,857**	134,373
Total operating expenses		**23,722,654**	20,525,964
TOTAL EXPENDITURES		**110,047,350**	100,512,525
Excess of income over expenditures		**$ 14,536,608**	$ 23,402,485

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF OTHER COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

		2017	2016
EXCESS OF INCOME OVER EXPENDITURES		**$14,536,608**	$23,402,485
OTHER COMPREHENSIVE INCOME:	2u		
APV disablement benefits		**108,717**	665,902
APV death benefits		**211,772**	25,139
		320,489	691,041
Actuarial gain/ (loss) on defined benefits plan		**198,388**	(552,895)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**$15,055,485**	$23,540,631

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CHANGES IN RESERVES
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	Short term Benefits Branch	Long term Benefits Branch	Employment Injury Benefits Branch	Disablement and Death Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2016	$16,335,484	$428,336,829	$49,926,971	$15,596,503	$1,960,173	$ 1,051,076	$ 43,342	$(488,767)	$512,761,611
Transfer to Social Development Account and Assistance Fund	-	-	(1,456,667)	-	-	250,000	1,206,667	-	-
Transfer to Long Term Benefit Branch	-	-	-	-	-	-	-	-	-
Natural Disaster Fund Expenditure	-	-	-	-	-	-	-	-	-
Social Development Account and Assistance Fund Expenditures	-	-	-	-	-	-	(1,048,567)	-	(1,048,567)
Excess of (expenditures over income) income over expenditures	(3,057,609)	2,862,038	15,860,069	(1,370,623)	246,121	-	-	(3,388)	14,536,608
Other Comprehensive Income	-	-	-	320,489	-	-	-	198,388	518,877
Balance, December 31, 2017	**$13,277,875**	**$431,198,867**	**$64,330,373**	**$14,546,369**	**$2,206,294**	**$1,301,076**	**$ 201,442**	**$(293,767)**	**$526,768,529**

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SOCIAL SECURITY BOARD

STATEMENTS OF CHANGES IN RESERVES (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	Short term Benefits Branch	Long term Benefits Branch	Employment Injury Benefits Branch	Disablement and Death Benefits Reserve	National Health Insurance Fund	Natural Disaster Fund	Social Development Assistance Account	Pension Reserve	Total
Balance, December 31, 2015	$16,767,297	$341,940,762	$112,738,407	$16,142,342	$1,888,631	$1,801,076	$ 268,611	$ 64,129	$491,611,255
Transfer to Social Development Account and Assistance Fund	-	-	(1,415,005)	-	-	250,000	1,165,005	-	-
Transfer to Long Term Benefit Branch	-	80,000,000	(80,000,000)	-	-	-	-	-	-
Natural Disaster Fund Expenditure	-	-	-	-	-	-	-	-	-
Social Development Account and Assistance Fund Expenditures	-	-	-	-	-	(1,000,000)	(1,390,274)	-	(2,390,274)
Excess of (expenditures over income) income over expenditures	(431,813)	6,396,067	18,603,569	(1,236,880)	71,542	-	-	-	23,402,485
Other Comprehensive Income	-	-	-	691,041	-	-	-	(552,896)	138,145
Balance, December 31, 2016	**$16,335,484**	**$428,336,829**	**$49,926,971**	**$15,596,503**	**$1,960,173**	**$ 1,051,076**	**$ 43,342**	**$(488,767)**	**$512,761,611**

The notes on pages 9 to 43 are an integral part of these financial statements.

SOCIAL SECURITY BOARD

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
OPERATING ACTIVITIES		
Excess of income over expenditures	**$14,536,608**	$23,402,485
Adjustments to reconcile excess of income over expenditures to net cash provided by operating activities:		
- Amortization expense – intangible asset	**287,719**	249,373
- Depreciation	**1,142,839**	1,194,844
- Interest and dividend income	**(23,888,586)**	(26,268,696)
- Loss on sale of fixed asset	**21,485**	568,987
- Bad debt expense	**301,194**	214,516
- Service cost of defined benefit plan	**(11,300)**	-
- Net interest on defined benefit liability	**14,688**	-
- Result from equity accounted investments	**(10,622,661)**	(11,470,433)
Operating loss before working capital changes	**(18,218,014)**	(12,108,924)
Net changes in working capital:		
Office supplies	**(5,530)**	(83,279)
Accounts receivable	**2,617,605**	(2,632,051)
Prepayments	**(94,075)**	58,410
Held for sale	**9,536**	9,000
Other asset	**15,600**	28,800
Accounts payable and accruals	**3,122,854**	(1,221,113)
Severance liability	**1,240,936**	686,661
Net cash used in operating activities	**(11,311,088)**	(15,262,496)
INVESTING ACTIVITIES		
Investment in associates	**(50,000,000)**	-
Long term investments	**(20,081,249)**	(43,229,340)
Loan principal receivable	**973,828**	(10,240,281)
Short term investments	**52,996,995**	46,993,657
Additions to fixed assets	**(832,389)**	(1,186,461)
Increase in intangible asset	**(422,240)**	(294,841)
Proceeds from sale of fixed assets	**-**	1,603
Interest received	**23,714,197**	25,687,300
Dividends received	**7,288,208**	10,232,011
Net cash provided by investing activities	**13,637,350**	27,963,648
FINANCING ACTIVITIES		
Change in death and disablement reserve	**320,489**	691,041
Change in social development fund	**(1,048,567)**	(1,390,274)
Change in natural disaster fund	**-**	(1,000,000)
Net cash used in financing activities	**(728,078)**	(1,699,233)
Net increase in cash and cash equivalents	**1,598,184**	11,001,919
Cash and cash equivalents, January 1	**29,345,288**	18,343,369
Cash and cash equivalents, December 31	**$30,943,472**	$29,345,288

The notes on pages 9 to 43 are an integral part of these financial statements.

1. STATUS

Status – Social Security Board (Board/SSB) is a statutory body which came into existence with the enactment of the Social Security Act, Chapter 44, Laws of Belize 1980. Social Security Board was established to provide various financial benefits to insured persons residing in Belize. Funding of these benefits is provided through contributions from employers and employees and self-employed persons. The corporate headquarters is located at Bliss Parade, Belmopan, Belize.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance – The financial statements of Social Security Board have been prepared from the records maintained in the financial accounting system of the Board, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), while the form and content are specified in the Social Security Act, and requirements of the Financial and Accounting Regulations, Chapter 44, Revised Edition 2000 – 2003.

b. Basis of presentation – The financial statements have been prepared under the historical cost convention, as modified by any revaluation of financial assets and financial liabilities at fair value through profit or loss.

c. Functional and presentation currency – The financial statements are presented in Belize dollars, which is also the functional currency of the Social Security Board.

d. Use of estimates and judgments – The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Board’s accounting policies.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur.

The cost of defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All valuations are made by a qualified actuary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Change in accounting policies – The accounting policies adopted are consistent with those used in the previous financial year except that the Board has adopted the following standards, amendments and interpretations which did not have a significant effect on the financial performance or position of the Board. Some, however, give rise to additional disclosures or changes to the presentation of the financial statements.

The following amendment is now effective and has been adopted.

Standards/ Amendments	Pronouncement	When effective	Response
Disclosure Initiative (Amendments to IAS 7)	Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017	The amendment was adopted, but has no current impact on the financial statements.

The following are standards or, amendments to standards which have been issued but are not yet effective up to the date of issuance of the financial statements.

Standards/ Amendments	Pronouncement	When effective	Response
IFRS 9	IFRS 9, as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. The release of IFRS 9 (2014) on July 24, 2014 moved the mandatory effective date of IFRS 9 to January 1, 2018. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before February 1, 2015.	January 1, 2018	The standard will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
IFRS 15 Revenue from Contracts with Customers	IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. These include identifying the contract, performance obligations, and transaction price as well as allocating transaction price to the performance obligations and recognizing revenue when these are satisfied.	January 1, 2018	The standard will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Changes in accounting policies (continued)

Standards/ Amendments	Pronouncement	When effective	Response
Clarification to IFRS 15 'Revenue from Contracts with Customers'	Amends IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4: (1) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach; (2) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.	January 1, 2018	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
Transfers of Investment Property (Amendments to IAS 40)	The amendments to IAS 40 Investment Property: - Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. - The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.	January 1, 2018	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.
IFRS 16 Leases	IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019	The standard will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Changes in accounting policies (continued)

Standards/ Amendments	Pronouncement	When effective	Response
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.	January 1, 2019	The amendment will be adopted but is not expected to have an impact on the financial statements
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 1, 2019	The amendment will be adopted when it becomes effective. Its effect, if any, will be quantified at that time.

f. Foreign currency transactions and balances – Transactions in foreign currencies are initially recorded by the Board at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss.

g. Financial instruments – A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Initial recognition and measurement
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Board initially recognizes, accounts receivables, deposits, and debt instruments on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on the trade date at which the Board becomes a party to the contractual provisions of the instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial instruments (continued)

Financial assets
Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables.' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 23 outlines the categories of the Board's financial assets.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables
Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are carried at amortized cost using the effective interest method less any provision for impairment. Due to their short term nature some financial assets are held on an undiscounted basis.

Held-to-maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board has the positive intention and ability to hold to maturity. These are carried at amortized cost using the effective interest method less any provision for impairment.

Financial assets at fair value
These financial assets are carried at fair value using a valuation technique, including recent arm's length transaction if any, discounted cash flow analysis or other valuation technique used by market participants, for investments not traded in active market, mainly level 3 inputs. Changes in fair value are recognized in the statement of profit in the period it arises.

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

Evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probably that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial instruments (continued)

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Board's past experience of collections, an increase in number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets
The Board derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Board neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Board recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Board retains substantially all the risks and rewards of ownership of a transferred financial asset, the Board continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in the other comprehensive income and accumulated in equity is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Financial instruments (continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Board retains an option to repurchase part of the transferred asset), the Board allocates the previous carrying amount of the financial asset between the part it continues to recognize under the continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount and part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial liabilities
Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities at amortized cost’.

Note 23 outlines the categories of the Board’s financial liabilities.

Other financial liabilities at amortized cost
Interest-bearing loans and borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument, and are subsequently recognized at amortized costs. Financial liabilities included in trade and other payables are recognized initially at fair value and subsequently at amortized cost using the effective interest method.

The Board classifies its financial liabilities as measured at amortized cost or fair value through profit or loss. Due to their short term nature some financial liabilities are held on an undiscounted basis.

Derecognition of financial liabilities
The Board derecognizes financial liabilities when and only when, the Board’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and is payable is recognized in profit or loss.

h. Cash and cash equivalents – Cash and cash equivalents represent cash on hand, bank deposits and short term highly liquid investments with original maturity of three months or less.

i. Short term investments – Short term investments represent term deposits, Government of Belize Treasury notes and any other investment with original maturity dates of more than three months but less than one year.

j. Office supplies – Office supplies are stated at the lower of cost and net realizable value, cost being determined on the actual cost of the supplies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Accounts receivables – includes assessments of contributions, dividends receivable and other miscellaneous receivables recorded on the accrual basis. The receivables are initially recorded at fair value and subsequently measured at amortized cost, net of estimates of potential losses. The estimated losses from doubtful accounts are provided in an amount considered sufficient to cover potential losses. The value of the loss estimated for doubtful debts is made based on experience of defaults that occurred in the past.

l. Prepayments – Prepayments represent insurance, license, property tax and other cost paid in advance of their intended use or coverage. Prepayments are expensed in the period the service is received.

m. Investments in Associates – Associates are investments in entities where the Board has the power to exercise a significant influence, but they do not have control or joint control through participation in the financial and operational decisions of the entity.

Usually the stockholding is 20% to 50% of the voting rights. Investments in associated entities are accounted for under the equity method and include goodwill identified on acquisition, net of any accumulated impairment loss.

Under the equity method, the investment in the associate is carried on the statement of financial position at cost plus post acquisition changes in the Board's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Board's share of the results of operations of the associate. When there has been a change recognized directly in the equity of the associate, the Board recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Board and the associate are eliminated to the extent of the interest in the associate.

The Board's share of profit of an associate is included in the income statement as Investment income. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates of the Board are prepared for the same reporting period as the Board. When necessary, adjustments are made to bring the accounting policies in line with those of the Board. After application of the equity method, the Board determines whether it is necessary to recognize an additional impairment loss on its investment in its associates.

The Board determines at each reporting date, whether there is any objective evidence that the investment in each associate is impaired. If this is the case, the Board calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit of an associate' in the income statement.

Upon loss of significant influence over the associate, the Board measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Intangible assets – Intangible assets comprise basically the contractual rights and expenses incurred on specific projects with future economic value, are valued at cost, less accumulated amortization and losses by reducing the recoverable amount where applicable. Intangible assets are recognized only if it is likely that they will generate economic benefits to the Board, are controllable under the Board's control and their respective value can be measured reliably.

Intangible assets that have finite useful lives are amortized over their effective use or a method that reflects their economic benefits, while those with indefinite useful lives are not amortized; consequently, these assets are tested at least annually as to their recovery (impairment test).

The estimated useful life and amortization methods are reviewed at the end of each financial year and the effect of any changes in estimates are recorded in a prospective manner.

Internally generated intangible assets, during the research phase, have their expenditure recorded in expenses of the period when incurred. Expenditure on development activities (or stage of development of an internal project) is recorded as intangible assets if and only if it meets all of the requirements of the standard. Initial recognition of this asset corresponds to the sum of the expenditures incurred from when the intangible asset has passed to meet the recognition criteria required by the standard.

Intangible assets generated internally, are recorded at cost value less amortization and loss on the accumulated impairment. The Board's intangible assets comprise mainly of acquired software licenses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

o. Fixed assets – Fixed assets are recorded at cost and, other than land, are depreciated using the straight line method over the estimated useful life of the assets as follows:

Buildings	50 years
Furniture, fixtures and equipment	10 years
Computers and accessories, hardware and software	5 years
Motor vehicles	4 years

Repairs and maintenance are charged against income. Improvements which extend the useful life of the assets are capitalized. When fixed assets are disposed of by sale or are scrapped, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

p. Pension fund – The Board, as of January 1, 1991, operates a pension scheme which is separately administered by a Board of Trustees. The scheme, which is a defined benefit plan, is funded by contributions from the Board in amounts recommended by the actuaries, and from employees at the rate of 2.8% of annual pensionable salaries. The Board's contributions of 4.3% of pensionable salaries are charged against income in the year they become payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Pension fund (continued)

Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

q. Income recognition – Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board, and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Board assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Board has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

i. Investment income – is accounted for on the accrual basis, except for dividends, which are recognized when received. Income from associates is accounted for by the equity method.

ii. Interest income – For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Investment Income and Other income in the income statement.

iii. Dividends – Revenue is recognized when the Board's right to receive the payment is established.

iv. Rental income – Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

Basis of apportionment of income –

(i) Contributions
Section 14(1) of the Financial and Accounting Regulations, 1980 provides that all contributions shall be distributed among the Benefits Branches in the following proportions:

(1)	Short term Benefits Branch	19.25%
(2)	Long term Benefits Branch	56.25%
(3)	Employment Injury Benefits Branch	24.50%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Income recognition (continued)

(ii) Other income
Section 14(2) of the Financial and Accounting Regulation, 1980 provides that income from investment of the Reserves is allocated to each branch on the basis of their respective reserves at the end of the previous financial year.

Section 14(3) of the Financial and Accounting Regulations, 1980 provides that all other income to the fund which cannot be identified with any specific branch shall be distributed among the three benefit branches in equal parts.

r. Government contributions – Government contributions and support are accounted for when the Board complies with reasonable security conditions set by the government related to contributions, and assistance received. The Board records via the statement of income, as reducing spending according to the nature of the item, and through the distribution of results on statement of income, or earnings in reserve accounts.

When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Board receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grants.

s. Taxes –

Income tax, property tax and stamp duty
Section 64 (2) of the Social Security Act, Chapter 44, Revised Edition 2003 exempts the Board from income tax, property tax and stamp duty.

General sales tax
General Sales Tax of 12.5% is a tax on consumer spending that is collected at the point of sale of a business' good or service. SSB pays General Sales Tax as a regular consumer.

t. Benefit payments –

i. SSB recognizes costs associated with payments in the period the beneficiary or recipient is entitled to receive the payment.

ii. Liabilities are accrued on benefits for past periods that have not completed processing by the close of the fiscal year, such as benefit payments due but not paid pending receipt of pertinent information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Disablement and death benefit reserves – The Disablement and Death Benefits Reserve is made up as provided by Section 16(3) of the Financial and Accounting Regulations, 1980 by transferring thereto at the end of each financial year the balance outstanding in the current account after the actuarial present value of the periodically payable disablement and death benefits awarded in that year have been charged against income for that year in the Income and Expenditure Account of the Employment Injury Benefit Branch and credited to a current account, which is also credited with the income from the investment of the said reserve, and debited with actual payment of the current periodical disablement and death benefit effected during that year.

v. Basis of apportionment of expenditure

   i. Section 15(1) of the Financial and Accounting Regulation, 1980 states that the expenditures of each benefit branch shall be ascribed to that Branch under which the benefit is grouped, namely: Short Term Benefits Branch, Long Term Benefits Branch and Employment Injury Benefits Branch.

   ii. Section 15(2) of these regulations states that the administrative expenditures of the Board shall be distributed among the three benefit branches in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Board as a whole.

   iii. Administrative expenses are taken to mean all expenses properly incurred in the administration of the Board.

   All other expenditures that are not attributable to any specific branch are distributed among the three benefit branches in equal parts.

3. FINANCIAL RISKS

Financial risk factors

The Board's activities expose it to a variety of risks in relation to financial instruments: market risk (interest rate risk and price risk), credit risk and liquidity risk.

The Board's overall risk management program seeks to maximize the returns derived for the level of risk to which the Board is exposed and seeks to minimize potential adverse effects on the Board's financial performance. The Board's policy allows it to use financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased long term equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Investment Committee and Board of Directors and the General Manager of Finance. The Board has specific limits on these financial instruments to manage the overall potential exposure.

3. FINANCIAL RISKS (Continued)

In accordance with IFRS 7, an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date.

The Board uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

Market risk

a. Price risk

The Board's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Social Security Act (Chapter 44) of the Substantive Laws of Belize, the Investment Committee and the Board of Directors.

The Act also limits a single investment to be no more than 20% of the total amount of the Reserves, including economically targeted investments. The Board's policy requires that the overall market position is monitored on a weekly basis by the Board's Investment Manager and is reviewed on a quarterly basis by the Investment Committee and Board of Directors. Compliance with the Board's investment policies are reported to the Investment Committee on a monthly basis.

b. Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Board holds fixed interest securities to maturity that expose the Board minimally to fair value interest rate risk. The Board also holds cash and cash equivalents that expose the Board to cash flow interest rate risk. The Board's policy requires the General Manager of Finance to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities.

The Board has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Board invests.

In accordance with the Board's policy, the Investment Manager monitors the Board's overall interest sensitivity on a weekly basis; the Investment Committee reviews it on a monthly basis.

3. FINANCIAL RISKS (Continued)

c. Credit risk

The Board is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. The main concentration to which the Board is exposed arises from the Board's investments in debt securities. The Board is also exposed to counterparty credit risk on cash and cash equivalents, amounts receivable from associates, debtors and other receivable balances.

The Board manages credit risk by holding funds with reputable financial institutions and also setting limits on the amount loaned. They ensure the loan is properly collaterized, considering the borrower's leverage and the seasonality of the business by including restrictions in the loan agreements.

In accordance with the Board's policy, the Investment Manager monitors the Board's credit position on a daily basis, and the Investment Committee reviews it on a monthly basis.

Collateral
Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. The Board defines collateral as the assets or rights provided to the Board by the borrower or a third party in order to secure a credit facility. The Board would have the rights of secured creditor in respect of the assets/contracts offered as security for the obligations of the borrower/obligor.

The Board ensures that the underlying documentation for the collateral provides the Board appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate, retain or take legal possession of it in a timely manner in the event of default by the counterparty. The Board also endeavors to keep the assets provided as security to the Board under adequate insurance during the tenor of the Board's exposure. The collateral value is monitored periodically.

Types of collateral taken by the Board
Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as land, plant and machinery; marketable securities; third party guarantees; and letters of credit.

The Board determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For personal loans, the security to be taken is defined in the investment policy for the respective types of loans. Housing loans and automobile loans are secured by the security of the property/automobile being financed. The valuation of the properties is carried out by an empaneled appraiser at the time of sanctioning the loan.

3. FINANCIAL RISKS (Continued)

c. Credit risk (continued)

The Board extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The limits with respect to unsecured facilities have been approved by the Board of Directors. The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorization approved by the Board of Directors. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

For certain types of lending – typically mortgages, asset financing – the right to take charge over physical assets is significant in terms of determining appropriate pricing and recoverability in the event of default.

Collateral is reported in accordance with our risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Where appropriate collateral values are adjusted to reflect current market conditions, its probability of recovery and the period of time to realize the collateral in the event of possession. The collateral values reported are also adjusted for the effects of over-collateralization.

Loans and advances
The requirement for collateral is not a substitute for the ability to pay, which is the primary consideration for any lending decisions. In determining the financial effect of collateral held against loans neither past due nor impaired, we have assessed the significance of the collateral held in relation to the type of lending. For loans and advances to Board's employees and customers (including those held at fair value through profit or loss), the Board held the following amounts of collateral, adjusted where appropriate as indicated above.

3. FINANCIAL RISKS (Continued)

d. Credit risk (continued)

	CONSUMER LOANS			COMMERCIAL LOANS			TOTAL		
Value	Total	Not Individually Impaired Loans	Individually Impaired Loans	Total	Not Individually Impaired Loans	Individually Impaired Loans	Total	Not Individually Impaired Loans	Individually Impaired Loans
December 31, 2017									
Collateral	7,804,087	7,113,028	691,059	127,190,824	125,271,824	1,919,000	134,994,911	132,384,852	2,610,059
Loans	7,428,944	6,762,816	666,128	124,314,316	123,332,354	981,962	131,743,260	130,095,170	1,648,090

	CONSUMER LOANS			COMMERCIAL LOANS			TOTAL		
Value	Total	Not Individually Impaired Loans	Individually Impaired Loans	Total	Not Individually Impaired Loans	Individually Impaired Loans	Total	Not Individually Impaired Loans	Individually Impaired Loans
December 31, 2016									
Collateral	7,804,087	6,870,137	933,950	123,412,432	120,296,188	3,116,244	131,216,519	127,166,325	4,050,194
Loans	7,675,683	7,068,577	607,106	125,050,156	123,768,405	1,281,751	131,383,825	127,166,325	4,217,500

3. FINANCIAL RISKS (Continued)

e. Liquidity risk

Liquidity risk is the risk that the Board may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As a result, the Board may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Board manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form with staggered maturity dates, separating short term investments and long-term investments. The Board's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 to 90 day periods at a minimum. At December 31, 2017, current financial assets exceeded current financial liabilities by $72,548,153 (2016: $127,849,628).

In accordance with the Board's policy, the General Manager of Finance monitors the Board's liquidity position on a weekly basis, and the Investment Manager reviews it on a daily basis.

The table below analyses only the current financial assets and current financial liabilities of the Board into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date.

Net liquidity gap, December 31, 2017

	Within 1 month	1 to 3 months	3 months to 1 year	Total
	$	$	$	$
Current Assets				
Cash and cash equivalent	30,943,472	-	-	30,943,472
Short term investments	9,012,790	7,485,223	10,773,997	27,272,010
Investment income receivable	398,896	556,437	9,364,692	10,320,025
Accounts receivable	254,208	619,385	522,180	1,395,773
Current portion loans receivable	339,322	2,376,143	11,028,835	13,744,300
Total current assets	40,948,688	11,037,188	31,689,704	83,675,580
Current Liabilities				
Accounts payables and accruals	2,054,223	755,587	8,097,533	10,907,343
Severance current portion	-	-	220,084	220,084
Total current liabilities	2,054,223	755,587	8,317,617	11,127,427
Net liquidity gap, December 31, 2017	38,894,465	10,281,601	23,372,087	72,548,153

3. FINANCIAL RISKS (Continued)

e. Liquidity risk (continued)

Net liquidity gap, December 31, 2016

	Within 1 month $	1 to 3 months $	3 months to 1 year $	Total $
Current Assets				
Cash and cash equivalent	29,345,288	-	-	29,345,288
Short term investments	-	20,965,465	59,303,540	80,269,005
Investment income receivable	304,339	836,898	9,004,398	10,145,635
Accounts receivable	3,069,546	403,446	540,386	4,013,378
Current portion loans receivable	1,005,429	2,010,858	9,048,861	12,065,148
Total current assets	33,724,602	24,216,667	77,897,185	135,838,454
Current Liabilities				
Accounts payables and accruals	2,072,664	357,731	5,354,094	7,784,489
Severance payable current portion	-	-	204,337	204,337
Total current liabilities	2,072,664	357,731	5,558,431	7,988,826
Net liquidity gap, December 31, 2016	31,651,938	23,858,936	72,338,754	127,849,628

f. Operational risk

The Board is exposed to operational risk which can lead to financial losses through error, fraud or inefficiencies. The Board mitigates this risk by periodically revisiting its internal controls, adhering to its operational policies and procedures, and reliance on the internal audit function.

4. CASH AND CASH EQUIVALENTS

	2017	2016
Cash on hand	**$ 7,020**	$ 7,030
Cash at local banks	**30,936,452**	29,338,258
	$30,943,472	$29,345,288

5. SHORT TERM INVESTMENTS

	2017	2016
Government of Belize treasury notes	**$ 4,150,000**	$16,000,000
Term deposits	**23,122,010**	64,269,005
	$27,272,010	$80,269,005

6. INVESTMENT INCOME RECEIVABLE

	2017	2016
Sunshine Holdings Limited	**$ 8,919,633**	$ 7,718,280
Other loans and mortgage portfolios	**1,076,962**	1,192,472
Certificate of deposits	**130,347**	1,234,883
Floating rate notes	**193,083**	-
	$10,320,025	$10,145,635

Under the terms of the loan note between Sunshine Holdings Limited and SSB issued September 19, 2005, interest earned up to July 31, 2010 was capitalized.

7. ACCOUNTS RECEIVABLE

	2017	2016
Accounts receivable	**$ 177,645**	$3,010,225
Assessment of contributions	**2,432,339**	2,070,796
Total receivable	**2,609,984**	5,081,021
Less: Provision for credit losses	**(1,214,211)**	(1,067,643)
	$1,395,773	$4,013,378
Provision for credit losses is comprised of:		
Beginning balance as at January 1	**$(1,067,643)**	$(1,126,863)
Provisions for loss on uncollectible assessments	**(165,597)**	16,213
Less waiver on interest assessment	**62,804**	44,779
Provisions for loss on accounts receivable	**(43,775)**	(1,772)
Ending balance as at December 31	**$(1,214,211)**	$(1,067,643)

8. INVESTMENT IN ASSOCIATES

Belize Electricity Limited (31.26% ownership)	**2017**	2016
Balance, beginning of year	**$ 95,672,867**	$ 95,672,867
Additional shares	**15,000,000**	-
Income from associate	**5,307,281**	7,432,011
Dividend received from associate	**(5,388,208)**	(7,432,011)
Balance, end of year	**$110,591,940**	$ 95,672,867

Belize Telecommunications Limited (34.31% ownership)	**2017**	2016
Balance, beginning of year	**$ 59,542,942**	$ 58,304,520
Additional shares	**35,000,000**	-
Income from associate	**5,315,380**	4,038,422
Dividend received from associate	**(1,900,000)**	(2,800,000)
Balance, end of year	**$ 97,958,322**	$ 59,542,942
Total investment in associate, end of year	**$208,550,262**	$155,215,809

8. INVESTMENT IN ASSOCIATES (Continued)

By the Belize Telecommunications (Assumption of Control over Belize Telemedia Limited) Order, Statutory Instrument No. 104 of 2009, the Government of Belize (GOB) acquired for and on behalf of itself 46,845,513 ordinary shares in Belize Telemedia Limited [BTL]. Thereafter GOB issued an Offer for Sale in respect of 22,069,687 of the above mentioned shares in BTL to the Belizean public at a price of $5.00 per share. On November 23, 2010, a share purchase agreement was signed between GOB and the SSB to purchase 10,000,000 ordinary shares in the BTL.

Summarized financial information of Belize Electricity Limited

	2017	2016
Total current assets	**$ 87,721**	$ 92,182
Total non-current assets	**466,466**	452,668
Total assets	**$554,187**	$544,850
Total current liabilities	**$ 46,368**	$ 43,740
Total non-current liabilities	**148,400**	139,447
Total liabilities	**194,768**	183,187
Total equity	**359,419**	361,663
Total liabilities and equity	**$554,187**	$544,850
Profit before tax	**$ 21,459**	$ 30,797
Business tax	**(3,686)**	(3,505)
Profit from continuing operations	**17,773**	27,292
Other comprehensive income	**-**	-
Total comprehensive income	**$ 17,773**	$ 27,292

8. INVESTMENT IN ASSOCIATES (Continued)

Summarized financial information of Belize Telemedia Limited

	2017	2016
Total current assets	**$ 84,814**	$ 94,273
Total non-current assets	**249,619**	214,338
Total assets	**$334,433**	$308,611
Total current liabilities	**$ 52,067**	$ 42,847
Total non-current liabilities	**10,268**	381
Total liabilities	**62,335**	43,228
Total equity	**272,098**	265,383
Total liabilities and equity	**$334,433**	$308,611
Profit before tax	**$ 37,063**	$ 38,749
Business tax	**(16,473)**	(16,614)
Profit from continuing operations	**20,590**	22,135
Other comprehensive income	**-**	-
Total comprehensive income	**$ 20,590**	$ 22,135

9. LONG TERM INVESTMENT

	2017	2016
Belize City Council Municipal Bonds	**$ 7,482,200**	$ 7,802,000
Debentures	**6,200,000**	6,200,000
Government of Belize treasury notes	**65,664,389**	9,500,000
Shares *	**15,545,813**	15,499,813
Term deposits	**-**	35,809,340
Total long term investments	**$94,892,402**	$74,811,153

*The Board ranks its investments based on the hierarchy of valuation techniques required by IFRS for financial investments held at fair value through profit and loss. The hierarchy is based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Board’s market assumptions. Shares, the Board’s only financial assets held at fair value are measured using level 3 inputs as it is not based on observable market data (unobservable inputs).

10. LOAN PRINCIPAL RECEIVABLE

	2017	2016
Mortgages	**$ 7,421,748**	$ 7,987,680
Private Sector	**123,062,523**	123,412,432
Staff loans	**1,267,738**	1,325,725
Total Loans	**131,752,009**	132,725,837
Less: Provision for credit losses	**(4,518,693)**	(4,217,499)
Total Loans -Net	**127,233,316**	128,508,338
Less: Current Portion	**(13,744,300)**	(12,065,148)
Total long term loans - Net	**$113,489,016**	$116,443,190

Provision for credit losses is comprised of:		
Beginning balance	**$ 4,217,499**	$ 4,738,164
Additional provision for bad debts	**319,887**	214,516
Reversal of previous provisions	**(18,693)**	(680,200)
Write off	**-**	(54,981)
Ending Balance	**$ 4,518,693**	$ 4,217,499

At December 31, 2017, non-performing investments amounted to 0.78% of total loan receivables (December 31, 2016: 0.61%).

Mortgages received from the Ministry of Housing at December 31, 2017 totaled $403,654 (December 31, 2016: $445,674).

11. HELD FOR SALE

	2017	2016
Vista Del Mar Housing Project		
Remaining lots acquired from Vista Del Mar Development Company Ltd.	**$ 457,228**	$ 466,764
Rocky Point	**175,015**	175,015
San Pedro, Ambergris Caye		
3,491 acres land	**10,636,234**	10,636,234
	$11,268,477	$11,278,013

Land properties held in the name of Social Security Board that are held for sale. These properties are measured at the lower of carrying amount and fair value less costs to sell.

12. OTHER ASSETS

	2017	2016
Homeland Development Limited		
926 plots of land	**$1,066,800**	$1,082,400

An agreement was signed with Social Security Board and Homeland Development Limited dated May 7, 2002 for service that should be delivered to such person that are insured under the funeral scheme. As per agreement Homeland shall sell Social Security Board 1,000 plot licenses permitting the use by Social Security Board. The purchase price was BZ $1,200,000.

13. INTANGIBLE ASSET

	2017	2016
Cost		
Brought forward, January 1	**$2,661,903**	$2,367,061
Cost capitalized during the year	**422,240**	294,842
Carried forward, December 31	**3,084,143**	2,661,903
Accumulated amortization		
Brought forward, January 1	**1,075,746**	826,372
Amortization	**287,719**	249,374
Carried forward, December 31	**1,363,465**	1,075,746
Total	**$1,720,678**	$1,586,157

14. FIXED ASSETS

Cost	**Land**	**Buildings**	**Furniture and fixtures**	**Office equipment**	**Computers and accessories, hardware and software**	**Motor vehicles**	**Work in progress**	**Total**
Brought forward, January 1, 2017	$6,591,004	$23,286,894	$2,964,054	$3,091,349	$5,747,120	$914,520	$223,528	$42,818,469
Additions	-	109,778	165,953	139,025	329,640	22,413	65,580	832,389
Disposals	-	(23,721)	(104,399)	(309,139)	(235,345)	(9,939)	-	(682,543)
Carried forward, December 31, 2017	6,591,004	23,372,951	3,025,608	2,921,235	5,841,415	926,994	289,108	42,968,315
Accumulated depreciation								
Brought forward, January 1, 2017	-	6,799,039	2,630,839	2,260,996	4,870,605	699,504	-	17,260,983
Additions	-	466,290	95,760	172,279	329,725	78,785	-	1,142,839
Disposals	-	(5,459)	(102,056)	(308,155)	(234,648)	(10,740)	-	(661,058)
Carried forward, December 31, 2017	-	7,259,870	2,624,543	2,125,120	4,965,682	767,549	-	17,742,764
Net book value								
December 31, 2017	**$6,591,004**	**$16,113,081**	**$ 401,065**	**$ 796,115**	**$ 875,733**	**$159,445**	**$289,108**	**$25,225,551**

Cost	**Land**	**Buildings**	**Furniture and fixtures**	**Office equipment**	**Computers and accessories, hardware and software**	**Motor vehicles**	**Work in progress**	**Total**
Brought forward, January 1, 2016	$6,591,004	$24,076,035	$2,873,575	$2,929,554	$5,525,725	$751,240	$136,166	$42,883,299
Additions	-	145,317	90,479	161,795	538,228	163,280	87,362	1,186,461
Disposals	-	(934,458)	-	-	(316,833)	-	-	(1,251,291)
Carried forward, December 31, 2016	6,591,004	23,286,894	2,964,054	3,091,349	5,747,120	914,520	223,528	42,818,469
Accumulated depreciation								
Brought forward, January 1, 2016	-	6,700,877	2,524,371	2,050,545	4,833,465	637,582	-	16,746,840
Additions	-	482,205	106,468	210,451	333,798	61,922	-	1,194,844
Disposals	-	(384,043)	-	-	(296,658)	-	-	(680,701)
Carried forward, December 31, 2016	-	6,799,039	2,630,839	2,260,996	4,870,605	699,504	-	17,260,983
Net book value								
December 31, 2016	**$6,591,004**	**$16,487,855**	**$ 333,215**	**$ 830,353**	**$ 876,515**	**$215,016**	**$223,528**	**$25,557,486**

15. ACCOUNTS PAYABLE AND ACCRUALS

	2017	2016
Mortgage securitization program	**$ 4,735,200**	$4,735,200
Benefits payable	**2,897,203**	536,821
Accrued expenses and other liabilities	**3,274,940**	2,512,468
	$10,907,343	$7,784,489

16. SEVERANCE PAYABLE

The movement in the provision is as follows:

	2017	2016
Beginning balance, January 1	**$1,362,246**	$ 675,585
Addition	**1,240,936**	686,661
Ending balance, December 31	**2,603,182**	1,362,246
Less: current portion	**(220,084)**	(204,337)
Long term portion	**$2,383,098**	$1,157,909

SSB recognizes a severance provision comprising of the present value of obligations to be settled directly with employees upon termination of services in accordance with the Belize Labour Law Act.

17. PENSION LIABILITY

The Board sponsors a defined benefit pension scheme in accordance with a Trust Deed signed by the Board and the Trustees on April 24, 1996, but deemed to have been established under irrevocable trust with effect from January 1, 1991. By Statutory Instrument No. 45, dated May 29, 2017, the Prime Minister formally exempted the Social Security Board Staff Pension Scheme from the provisions of the Private Pensions Act.

The scheme is contributory (funded on a bipartite basis by the SSB and the employees). The Board and participants pay fixed contributions into the separate trust which is managed by a Board of Trustees nominated by the employer. These Board's contributions are expensed in the period in which they are accrued. The funding arrangements are as follows, with any liability or surplus recognized in the Board's financial statements:

	Contribution Rate [a/] 2017	Amount	Contribution Rate [a/] 2016	Amount
Employees	2.8%	$244,135	2.8%	$267,660
Employer [b/]	4.3%	343,941	-	-
Total	7.1%	$588,076	2.8%	$267,660

[a/] Of basic salaries
[b/] Contributions at the rate of 4.3% of salaries suspended as from September 1, 2011, in recognition of the surplus status of the Fund, and re-instated as from January 1, 2017.

17. PENSION LIABILITY (Continued)

The terms of the defined benefit pension scheme allow for 5 different types of benefits to participants and define the amount that participants will receive. These amounts are dependent on factors such as age, years of service and compensation, and are determined independently of the contributions payable or the investments of the scheme. Currently the Scheme has 3 active pensioners and 246 active participants (2016: 4 pensioners and 251 active participants).

An asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. Management estimates the DBO annually with the assistance of an independent actuary. Actuarial gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income. Any past services are recognized as from January 1, 1991.

The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government bonds that are denominated in the currency in which the benefits will be paid, and which have terms to maturity approximating the terms of the related liability. Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to income over the employees' expected average remaining working lives. On a going concern basis and taking into consideration projected salaries as retirement rather than static salaries, the funded status is as follows, as at December 31, 2017 and 2016:

a) Projected Benefit Obligation and Funded Status (IAS-19R)

Funded status	**2017**	2016
Projected benefit obligation	**9,668,816**	9,609,041
Net assets	**(9,375,049)**[a/]	(9,120,275)
Unfunded liability	**293,767**[b/]	488,766

[a/]Unaudited
[b/]Deficit (surplus) recognized

17. PENSION LIABILITY (Continued)

b) Changes in Benefit Obligations and Net Assets

Change in Projected Obligations	**2017**	2016
Projected benefit obligation at January 1	**$9,609,041**	$8,685,618
Service cost	**582,252**	541,631
Interest cost	**464,830**	430,723
Benefits paid and expenses	**(624,881)**	(142,304)
Actuarial (gain) loss – obligations	**(362,426)**	93,373
Projected benefit obligation at December 31	**$9,668,816**	$9,609,041
Change in Plan Assets		
Assets at January 1	**$9,120,775**	$8,671,281
Expected return on assets [a/]	**455,118**	430,900
Contributions	**588,076**	267,660
Benefit paid and expenses	**(624,881)**	(142,304)
Actuarial gain (loss) – assets	**(164,039)**	(107,262)
Assets at December 31	**$9,375,049**	$9,120,275
Consolidated deficit (surplus)	**$ 293,767**	$ 488,766

[a/] Actual return: $313,433

c) Expenses to be Recognized (IAS-19R)

	2017	2016
Current service cost	**$582,252**	$541,631
Net interest expense (income)	**14,688**	(177)
Sub-total (P&L)	**596,940**	541,454
Remeasurement		
Liability (gain) / loss	**(362,426)**	93,373
Asset (gain) / loss	**164,039**	107,262
Sub-Total (OCI)	**(198,387)**	200,635
Total	**$398,553**	$742,089

P&L: Profit / loss
OCI: Other comprehensive income

d) Actuarial Bases

	2017	2016
Mortality Table	**GAM-83**	GAM-83
Rate of Return(long-term)	**5%**	5%
Salary Scale	**3%**	3%
Real Rate of Discount	**2%**	2%
Annuity Rates	**5%**	5%

17. PENSION LIABILITY (Continued)

e) Actual and Expected Return on Assets

	2017	2016
Expected return	**$ 455,118**	$ 430,900
Actual return	**313,433**	323,620
Surplus (deficit)[a/]	**$(141,685)**	$(107,280)

[a/]Excludes contingent capital gains in BTL shares

f) Sensitivity Analysis (Projected Benefit Obligations)

The analysis shows the following results in the projected obligation:

Discount rate	Variation in benefit obligations
-1%	+13.2%
+1%	-11.6%

18. NET INVESTMENT INCOME

	2017	2016
Long and short term investments income	**$13,964,430**	$14,355,399
Income from associates	**10,622,661**	11,470,433
Investment expenses	**(378,619)**	(21,780)
Loan losses bad debt	**(319,886)**	464,644
	$23,888,586	$26,268,696

19. OTHER INCOME – NET

	2017	2016
Interest on assessments	**$ 535,235**	$532,447
Interest on late contributions	**341,600**	334,811
Rental income	**4,400**	3,250
Loss on disposal of fixed assets	**(21,485)**	(568,987)
Others	**225,086**	253,104
	$1,084,836	$554,625

20. ADMINISTRATION EXPENSES

	2017	2016
Actuarial expenses	**$ 124,919**	$ 120,480
Amortization (intangible asset)	**287,719**	249,373
Appeals Tribunal expenses	**18,102**	16,009
Audit cost	**84,638**	119,072
Bad debt expenses	**28,589**	-
Board expenses	**361,439**	319,115
Cleaning and sanitation	**276,601**	263,546
Committees expense	**140,750**	166,985
Compliance project	**8,660**	27,936
Depreciation	**676,548**	712,638
Donation	**38,121**	250
Insurance	**70,607**	69,705
Legal and professional fees	**440,720**	91,218
Medical and group health insurance	**320,877**	300,256
Motor vehicle expenses	**114,527**	91,109
Overseas conference	**64,447**	80,495
Pensions – defined contribution	**312,312**	-
Postage	**42,420**	39,921
Premises repairs and maintenance	**440,530**	562,537
Printing, stationery and supplies	**809,623**	629,252
Publicity and promotion	**393,807**	431,551
Recruitment	**20,368**	30,543
Registration expenses	**200,805**	197,937
Salaries	**11,213,888**	10,129,931
Security	**633,484**	716,195
Severance	**1,240,936**	686,661
Social security contributions	**262,542**	246,755
Subscriptions	**54,567**	53,837
Telephones and cables	**584,890**	550,962
Training	**824,994**	425,703
Transfer and other allowances	**1,594,110**	1,225,229
Traveling and subsistence	**755,437**	723,134
	$22,441,977	$19,278,335

21. ESTABLISHMENT EXPENSES

	2017	2016
Light, power and water	**$ 489,295**	$ 491,905
Depreciation	**466,291**	482,206
Rent	**139,234**	139,145
	$1,094,820	$1,113,256

22. EMPLOYEE REMUNERATION

	2017	2016
Wages, salaries	**$11,213,888**	$10,129,931
Social Security costs	**262,542**	246,755
Pensions-defined benefit plans	**312,312**	-
Total employee remuneration	**$11,788,742**	$10,376,686

23. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets	**Fair value through profit or loss**		**Loans and receivable**		**Held to Maturity**	
	2017	2016	**2017**	2016	**2017**	2016
	$	$	**$**	$	**$**	$
Cash and cash equivalents (undiscounted)	**-**	-	**30,943,472**	29,345,288	**-**	-
Short term investments	**-**	-	**27,272,010**	80,269,005	**-**	-
Investment income receivable	**-**	-	**10,320,025**	10,145,635	**-**	-
Accounts receivable (undiscounted)	**-**	-	**1,395,773**	4,013,378	**-**	-
Long term investments	**15,545,813**	15,499,813	**-**	35,809,340	**79,346,589**	23,502,000
Loan principal receivable – net	**-**	-	**127,233,316**	128,508,338	**-**	-
Total financial assets	**15,545,813**	15,499,813	**197,164,596**	288,090,984	**79,346,589**	23,502,000

Financial liabilities	**Other financial liabilities at amortized cost**	
	2017	2016
	$	$
Accounts payable and accruals	**10,907,343**	7,784,489
Severance payable	**2,603,182**	1,362,246
Total (undiscounted) financial liabilities	**13,510,525**	9,146,735

24. GOVERNMENT SUBVENTION TO NHI PROGRAM

The Government of Belize assists the National Health Insurance through an annual subvention which is allocated in the annual GOB budget. In both 2017 and 2016, $17,000,004 was given to the Board by the Government of Belize for the National Health Insurance.

25. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follow:

	2017	2016
Short term benefits	**$1,010,136**	$ 997,192
Post-employment benefits	**73,325**	109,610
Other long term benefits	**588,075**	268,160
	$1,671,536	$1,374,962

The remuneration of directors and key management is determined by the Board of Directors having regard to the performance of individuals.

Other related party transactions

During the year, group entities entered into the following trading transactions with related companies.

	2017	2016
(a) Share purchase		
Belize Electricity Limited	**$15,000,000**	$ -
Belize Telemedia Limited	**$35,000,000**	$ -
(b) Sale of service		
Belize Electricity Limited	**$ 423,369**	$ 240,221
Belize Telemedia Limited	**$ 924,722**	$ 634,780
(c) Purchase of services		
Government of Belize	**$ 4,735,200**	$4,735,200
Belize Electricity Limited	**$ 461,417**	$ 464,983
Belize Telemedia Limited	**$ 584,890**	$ 541,375

Services are sold to related parties on the same terms and conditions that would be available to third parties. Purchases related to electricity and telephone and interest services obtained from associates. Payable to Government of Belize represents the securitization and Tranch D payable.

Year-end balances arising from sales and purchased of goods and services

Payable to related parties	**2017**	2016
Government of Belize	**$2,897,203**	$536,821

The payable to related parties arise from contributions paid on behalf of the Social Security Board for sickness benefit to Government of Belize workers.

26. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Social Security Board' s capital management objectives are:

- to ensure its's ability to continue as a going concern
- to obtain an adequate return on investments to maintain healthy reserves
- to meet its commitments to all insured persons

by managing and investing prudently the contribution received from employers and employees. This is balanced with the risk appetite of SSB.

Social Security Board monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

SSB's goal in capital management is to maintain a capital-to-overall financing ratio of 1:1 to 1:2.

Management assesses SSB's capital requirements in order to maintain an efficient overall financing structure. To date SSB has not had the need to obtain loans from other institutions (debt). SSB manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, SSB may adjust by selling assets or cashing in investments.

The amounts managed as capital by SSB for the reporting periods under review are summarized as follows:

	2017	2016
Total equity	**$526,768,529**	$512,761,611
Cash and cash equivalents – unrestricted	**(30,943,472)**	(29,345,288)
Capital	**$495,825,057**	$483,416,323
Total equity	**$526,768,529**	$512,761,611
Borrowings (debt)	**-**	-
Overall Financing	**$526,768,529**	$512,761,611
Capital-to-overall financing ratio	**0.94%**	0.94%

Social Security Board has adequate capital ratios and continues to monitor its benefit reserves.

27. SEGMENT REPORTING

In accordance with IFRS 8 and for management purposes, the Board's activities are organized into three main operating segments prescribed in the Social Security Act, Chapter 44, Revised Edition 2003. These are as follows:

a) *Short Term Benefits Branch*: Covers

- **Maternity Benefits** which are paid to insured women who are on Maternity leave from work because of their pregnancy and confinement.
- **Sickness Benefit** is paid for up to 26 weeks to an insured person under 65 years who is temporarily unable to work because of an illness and who is employed when he or she becomes ill.

b) *Long-term Benefits Branch:* Covers

- **Retirement Benefits** paid to insured persons who are 65 years of age (and older) or 60 to 64 and not employed.
- **Invalidity Benefits** paid to insured persons under 60 years who are medically certified by Social Security Medical Board as permanently unable to do any type of work because of an illness.
- **Survivors' Benefits** paid to the widow/widower, children or parents of a deceased insured person whose death was not caused by a work-related injury.

c) *Employment Injury Benefits Branch:* This branch of benefits provides coverage for an insured person who suffers an employment injury, that is a personal injury or death by way of an accident at work or a disease caused by the type of work he or she does.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the financial statements. The result of operations for each Branch is disclosed in pages 45 to 49. Revenues and expenses are allocated based on formula prescribed by law (See note 2r and 2w).

28. COMMITMENTS AND CONTINGENCIES

i. Mortgage Securitization – Tranche A

On April 21, 1999, the Board entered into an agreement for the Assignment of Mortgages (Tranche A). The Board, the Development Finance Corporation (DFC), and the Government of Belize (GOB) signed the agreement with the Royal Merchant Bank and Finance Company of Trinidad and Tobago (RMB). Under the agreement, the Board assigned a total of $18,906,359 worth of mortgages. The Board's commitment under this agreement is for $293,640 monthly.

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of $293,640 to GOB. The Board's responsibility under the new agreement expired on April 30, 2013. Commitments to GOB is expected to be settled in 2018.

28. COMMITMENTS AND CONTINGENCIES (Continued)

Mortgage Securitization – Tranche B

On December 23, 1999, a second Assignment of Mortgages (Tranche B) agreement was signed between the Board, DFC and RMB. The total value of mortgages assigned by the Board in this transaction is $15,473,754. The Board's commitment under this agreement is for $175,200 monthly payable to DFC, for further payment to RMB, and shall remain in force until December 30, 2013.

In October 2004, GOB, through a Fixed Rate Non-Callable Bond Issue refinanced the existing agreement with RMB. The Board did not participate in the refinancing agreement, however, under the new arrangement the Board is committed to continue making monthly payments of $175,200 to GOB. The Board's responsibility under the new agreement expired on December 30, 2013. Commitments to GOB is expected to be settled in 2018.

Mortgage Securitization – Tranche C and D

On March 21, 2000 and August 30, 2000, a third (Tranche C) and fourth (Tranche D) agreement was signed between the Board, DFC and RMB. Under these two agreements, the mortgages assigned by the Board came from the Saint James National Building Society (SJNBS), and totaled $27,731,240. Under these agreements, the SJNBS pays the Board a total of $1,221,720 on a quarterly basis. The Board then pays that amount to DFC for further payment to RMB. As signatory to these agreements the Board is responsible to ensure collections from SJNBS, this responsibility remained in force until March 21, 2009 for Tranche C, and August 30, 2010 for Tranche D. Under a default scenario the Board is responsible to effect payment to DFC. Commitments to GOB is expected to be settled in 2018.

ii. Claims

The Government of Belize gave notice of its acquisition of Belize Telemedia Limited (BTL) by order of the Belize Telecommunications (Assumption of Control Over Belize Telemedia Limited) Amendment Order, 2009, Statutory Instrument No. 130 of 2009. Subsequently, in a notice dated December 7, 2009, and Gazetted on December 12, 2009, the Government required all those who may have claims to compensation to submit their claims to the Financial Secretary. The Notice of Acquisition specifically included the shares of BTL held by Sunshine Holdings, as well as the outstanding shares of Sunshine Holdings itself.

As a consequence of the acquisition of Sunshine Holdings, and by letter dated October 13, 2009, the Social Security Board filed a claim with the Financial Secretary, Ministry of Finance, indicating that "Pursuant to Belize Gazette Notice 529, dated August 27, 2009, the Social Security Board (SSB) hereby makes a claim for payment of the sums evidence as to SSB by a Loan Note between Sunshine Holdings Ltd. and SSB dated September 19, 2005."

The Company has defaulted on principal and an interest payment, the first interest payment date was October 31, 2010. However, principal and interest accrued to date has been guaranteed by the Government of Belize.

28. COMMITMENTS AND CONTINGENCIES (Continued)

iii. Litigations

Pending proceedings before the Court of Appeal

Supreme Court Claim No. 341 of 2001 Social Security Board vs. Sunshine Holdings Ltd.
This is a claim for breach of contract. By a written loan note dated September 19, 2005 the SSB extended an unsecured credit facility of $14,000,000.00 to Sunshine Holdings Ltd. Sunshine Holdings Ltd. has defaulted in the loan note by failing to pay interest as agreed and the SSB commenced a claim dated May 30, 2011 for the full loan balance of $15,221,766.27 (which it is entitled to do under the terms of the loan note). This figure includes interest and costs. The SSB obtained judgment on admission dated June 9, 2011 and is proceeding to enforce the judgment.

Sunshine Holdings Ltd. owned shares in Belize Telemedia Limited. All shares in Sunshine Holdings Ltd. and all shares that Sunshine Holdings Ltd. owned in Belize Telemedia Limited were acquired by the Government of Belize pursuant to the Belize Telecommunications (Assumption of Control Over Belize Telemedia Limited) Order, Statutory Instrument No. 104 0f 2009. The SSB sought to enforce the judgement obtained against Sunshine Holdings Ltd. against the proceeds to be paid to Sunshine Holdings Ltd. as compensation for the acquisition of their share in Belize Telemedia Limited. However, pursuant to the Settlement Agreement dated September 11, 2015 between the Government of Belize and Dunkeld International Investment Ltd. and the Trustees of the BTL Employees Trust, the Government acknowledges the outstanding balance on the loan owed to SSB and the liability for the loans. Government confirms that Sunshine Holdings Ltd. is and will continue to be wholly owned by Government in which case the liability for the payment of the Loan balance now becomes that of Government. However, it is expected that the outstanding balance will be drawn from the trust restricted amount to be determined by the Arbitration Tribunal. All other outstanding sums including interest is to be paid by the Government of Belize.

29. EVENTS AFTER THE REPORTING PERIOD

At July 26, 2018, the date of approval for issue of the Financial Statements by the Board of Directors, the Board has no subsequent events which warrant a modification of the value of its assets and liabilities. There are no subsequent events which require any additional disclosure.

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To the Board of Directors of
SOCIAL SECURITY BOARD:

SUPPLEMENTARY AUDIT REPORT

Our report on the examinations of the financial statement of the Social Security Board as of December 31, 2017 and 2016 appears on pages 1 and 2. These examinations were made primarily for the purpose of expressing an opinion on the financial statements taken as whole. The supplementary information accompanying the financial statements is not necessary for fair presentation of the financial statements of the financial position or results of operations in accordance with International Financial Reporting Standards. The supplementary information is presented in accordance with Sections 13 and 21 of the Financial and Accounting Regulations of the Social Security Act, Chapter 44, Revised Edition 2000-2003. The supplementary information has been subjected to the auditing procedures applied in the examinations of the financial statements and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Grant Thornton

Chartered Accountants
Belize City, Belize
August 1, 2018

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES – SHORT TERM BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
INCOME		
Contributions:		
Employers and employed persons	**$15,902,527**	$15,417,649
Total contributions	**15,902,527**	15,417,649
Other income:		
Net investment income	**764,866**	903,333
Others	**361,612**	184,875
Total other income	**1,126,478**	1,088,208
TOTAL INCOME	**17,029,005**	16,505,857
EXPENDITURES		
Benefits:		
Maternity	**3,604,593**	3,268,705
Sickness	**10,656,948**	8,619,821
Maternity grants	**971,426**	954,563
Total benefits	**15,232,967**	12,843,089
Operating expenses:		
Administration	**4,446,736**	3,692,984
Establishment	**350,406**	357,022
Financial	**56,505**	44,574
Total operating expenses	**4,853,647**	4,094,580
TOTAL EXPENDITURE	**20,086,614**	16,937,669
EXCESS OF EXPENDITURES OVER INCOME	**$ (3,057,609)**	$ (431,812)

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES – LONG TERM BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
INCOME		
Contributions:		
Employers and employed persons	**$46,468,425**	$45,051,574
Total contributions	**46,468,425**	45,051,574
Other income:		
Net investment income	**20,055,754**	18,421,952
Others	**361,612**	184,875
Total other income	**20,417,366**	18,606,827
TOTAL INCOME	**66,885,791**	63,658,401
EXPENDITURES		
Benefits:		
Retirement	**35,453,108**	31,085,207
Invalidity	**3,588,154**	3,448,621
Survivors	**7,159,864**	6,781,936
Funeral	**1,360,915**	1,261,720
Non-contributory pension	**2,297,370**	2,504,953
Total benefits	**49,859,411**	45,082,437
Operating expenses:		
Administration	**13,757,431**	11,778,302
Establishment	**350,406**	357,022
Financial	**56,505**	44,573
Total operating expenses	**14,164,342**	12,179,897
TOTAL EXPENDITURES	**64,023,753**	57,262,334
EXCESS OF INCOME OVER EXPENDITURES	**$ 2,862,038**	$ 6,396,067

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES –
EMPLOYMENT INJURY BENEFITS BRANCH
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
INCOME		
Contributions:		
Employers and employed persons	**$20,239,580**	$19,622,463
Total contributions	**20,239,580**	19,622,463
Other income:		
Net investment income	**2,337,700**	6,073,747
Others	**361,612**	184,875
Total other income	**2,699,312**	6,258,622
TOTAL INCOME	**22,938,892**	25,881,085
EXPENDITURES		
Benefits:		
Disablement grants	**518,250**	551,055
APV disablement benefits	**108,717**	665,902
APV death benefits	**211,772**	25,139
Employment injury	**2,468,525**	2,569,830
Funeral grants	**1,500**	1,500
Total benefits	**3,308,764**	3,813,426
Operating expenses:		
Administration	**3,363,148**	3,062,495
Establishment	**350,406**	357,022
Financial	**56,505**	44,573
Total operating expenses	**3,770,059**	3,464,090
TOTAL EXPENDITURES	**7,078,823**	7,277,516
EXCESS OF INCOME OVER EXPENDITURES	**$15,860,069**	$18,603,569

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES –
DISABLEMENT AND DEATH BENEFITS RESERVES
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
INCOME		
Contributions:		
APV disablement benefits	**$ 108,717**	$ 665,902
APV death benefits	**211,772**	25,139
Total contributions	**320,489**	691,041
Net investment income	**730,266**	869,664
TOTAL INCOME	**1,050,755**	1,560,705
EXPENDITURES		
Benefits:		
Disablement pension	**1,453,451**	1,442,445
Death benefits	**647,438**	664,099
TOTAL EXPENDITURES	**2,100,889**	2,106,544
EXCESS OF EXPENDITURES OVER INCOME	**$(1,050,134)**	$ (545,839)

SOCIAL SECURITY BOARD

STATEMENTS OF INCOME AND EXPENDITURES –
NATIONAL HEALTH INSURANCE FUND
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
INCOME		
Contributions:		
Government of Belize	**$17,000,004**	$17,000,004
Total contributions	**17,000,004**	17,000,004
EXPENDITURES		
Benefits:		
National health insurance benefits	**15,822,665**	16,141,065
Total benefits	**15,822,665**	16,141,065
Operating expenses:		
Administration	**885,962**	744,554
Establishment	**43,602**	42,190
Financial	**1,654**	653
Total operating expenses	**931,218**	787,397
TOTAL EXPENDITURES	**16,753,883**	16,928,462
EXCESS OF INCOME OVER EXPENDITURES	**$ 246,121**	$ 71,542

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

SHORT TERM INVESTMENTS	2017	2016
Term Deposits		
Heritage Bank Limited:		
2% Maturing January 11, 2018	$ 1,000,000	$ -
2% Maturing January 20, 2018	3,190,223	-
2% Maturing January 29, 2018	1,672,568	-
2% Maturing February 2, 2018	2,089,620	-
2% Maturing February 19, 2018	3,314,803	-
2% Maturing March 26, 2018	2,080,800	-
2% Maturing December 04, 2017	-	2,889,295
2% Maturing December 05, 2017	-	5,048,935
2% Maturing December 09, 2017	-	2,657,846
2% Maturing December 18, 2017	-	4,854,424
2% Maturing July 15, 2017	-	1,000,000
2% Maturing July 24, 2017	-	3,127,669
2% Maturing August 02, 2017	-	1,639,772
2% Maturing August 06, 2017	-	2,048,647
2% Maturing August 23, 2017	-	3,249,807
2% Maturing September 27, 2017	-	2,040,000
Atlantic Bank Limited		
3% Maturing October 16, 2018	1,628,723	-
3% Maturing November 2, 2018	1,500,000	-
3% Maturing November 2, 2018	1,500,000	-
3% Maturing December 12, 2018	518,624	-
3.5% Maturing February 20, 2017	-	2,402,918
3.5% Maturing February 27, 2017	-	3,277,749
3.5% Maturing February 27, 2017	-	1,372,926
3.5% Maturing March 23, 2017	-	2,504,171
3.5% Maturing March 28, 2017	-	4,452,392
3.5% Maturing March 28, 2017	-	4,807,710
3.5% Maturing June 26, 2017	-	1,180,700
3.85% Maturing October 14, 2017	-	1,628,723
3.5% Maturing November 2, 2017	-	1,500,000
3.5% Maturing November 2, 2017	-	1,500,000
3.85% Maturing December 12, 2017	-	518,624
National Bank of Belize		
3% Maturing on December 28, 2018	2,038,634	-
3% Maturing on December 28, 2018	2,588,015	-
2.25% Maturing June 24, 2017	-	2,500,000

INVESTMENTS LISTINGS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

Term deposits (Continued)	**2017**	2016
St. John's Credit Union Ltd.		
2% Maturing April 24, 2017	**$ -**	$ 3,333,859
2% Maturing December 06, 2017	**-**	1,277,085
3.25% Maturing December 20, 2017	**-**	1,308,153
2% Maturing March 27, 2017	**-**	2,147,600
Total Term Deposits	**23,122,010**	64,269,005
Treasury notes		
Government of Belize		
3.25% Maturing December 31, 2017	**3,150,000**	-
1.50% Maturing May 19, 2018	**1,000,000**	-
3.25% Maturing October 12, 2017	**-**	1,000,000
3.00% Maturing September 14, 2017	**-**	7,850,000
3.25% Maturing September 14, 2017	**-**	4,000,000
3.25% Maturing December 31, 2017	**-**	3,150,000
Total Treasury Notes	**4,150,000**	16,000,000
TOTAL SHORT TERM INVESTMENTS	**27,272,010**	80,269,005
INVESTMENT IN ASSOCIATES		
Belize Electricity Limited		
21,580,028 (2016: 18,580,028) ordinary shares, BZ$ 2 par value	**110,591,940**	95,672,867
Belize Telemedia Limited		
17,000,000 (2016: 10,000,000) ordinary shares, BZ$ 1 par value	**97,958,322**	59,542,942
TOTAL INVESTMENT IN ASSOCIATES	**208,550,262**	155,215,809
LONG TERM INVESTMENTS		
Municipal bonds		
Belize City Council		
5 years bond @ 5.5% maturing December 23, 2017	**-**	319,800
10 years bond @8% maturing December 22, 2022	**2,882,200**	2,882,200
5 years bond @ 5.5% maturing November 6, 2018	**1,000,000**	1,000,000
10 years bond @8% maturing May 22, 2023	**1,000,000**	1,000,000
5 years bond @5.5% maturing May 23, 2018	**1,000,000**	1,000,000
10 years bond @8% maturing November 5, 2023	**1,600,000**	1,600,000
Total Municipal bonds	**7,482,200**	7,802,000

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
SHARES		
Belize Water Services Limited		
4,000,000 shares, BZ$1.50 par value	**$ 6,000,000**	$ 6,000,000
Atlantic Bank Limited		
786 shares, BZ$165 par value	**129,690**	129,690
1,974 (2016: 1541) shares, BZ$100 par value	**197,400**	151,400
	327,090	281,090
Citrus Products of Belize Limited		
7,947,175 shares, BZ$1.16 par value	**9,218,723**	9,218,723
	15,545,813	15,499,813
Debentures		
Belize Electricity Limited		
7% debentures maturing December 31, 2024	**5,500,000**	5,500,000
6.5% debentures maturing December 31, 2030	**700,000**	700,000
	6,200,000	6,200,000
Treasury notes		
Government of Belize		
4.00% maturing January 1, 2021	**-**	9,500,000
5.25% Maturing January 13, 2026	**10,000,000**	-
4% Maturing August 1, 2021	**9,500,000**	-
4% Maturing August 1, 2021	**7,850,000**	-
3% Maturing Sep 14, 2019	**4,000,000**	-
	31,350,000	9,500,000
Floating rate notes		
3.75%+IR Maturing May 19, 2022	**2,000,000**	-
4.50%+IR Maturing May 19, 2024	**7,000,000**	-
5%+IR Maturing May 19, 2027	**25,314,389**	-
	34,314,389	-
Total Treasury Notes	**65,664,389**	9,500,000

TERM DEPOSITS	2017	2016
Belize Bank Limited		
2.5% Maturing March 30, 2018	$ -	$ 2,189,144
2.15% Maturing July 05, 2018	-	2,786,740
2.15% Maturing August 15, 2018	-	1,358,237
2.5% Maturing January 2, 2018	-	1,859,437
2.5% Maturing January 8, 2018	-	1,859,074
2.5% Maturing February 19, 2018	-	2,683,151
2.5% Maturing February 27, 2018	-	2,707,121
2.5% Maturing July 30, 2018	-	3,077,111
2% Maturing March 5, 2018	-	1,230,845
2.5% Maturing April 18, 2018	-	1,701,478
2.15% Maturing September 30, 2018	-	6,205,630
2.15% Maturing October 21, 2018	-	2,666,637
2.15% Maturing November 1, 2018	-	5,484,735
	-	35,809,340
TOTAL LONG TERM INVESTMENTS	**94,892,402**	**74,811,153**

LOAN PRINCIPAL RECEIVABLE

	2017	2016
Mortgages and Housing		
Housing/MoH Mortgages		
10 to 20 years mortgages @ 8.5% interest	**403,654**	445,674
RECONDEV		
30 years loan @ 8% interest	**312,588**	355,972
Civil Service Credit Union Limited		
15 years loan @ 7.5% interest	**938,342**	1,281,751
BNBS Assigned Mortgages		
20 years loans @ 8.5% interest	**552,182**	814,357
Housing Mortgages – Tranche B		
District and Secondary, 10 – 20 years loans @ 8.5% interest	**126,778**	126,778
Vista Del Mar Project		
Secondary mortgages, 20 years @ 8.5%	**286,359**	311,166

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

		2017		2016
LOAN PRINCIPAL RECEIVABLE (Continued)				
Mortgages and Housing				
BIMCO Housing Scheme				
Middle income, 20 years loans @ 8.5%	**$**	**720,020**	$	770,697
Housing, 20 years loans @ 8.5%		**50,307**		54,217
St. James National Building Society Ltd.				
Assigned mortgages, 5 – 20 years loan @ 8.5% interest		**381,734**		442,044
Staff Housing Loans				
10 – 20 years @ 8% interest		**2,174,297**		2,364,265
Previous Staff Loans				
10 – 20 years @ 8% interest		**1,046,745**		907,015
Other		**428,741**		113,744
Staff Loans		**1,267,739**		1,325,725
		8,689,486		9,313,405
Less: provisions for loss on investment		**(1,154,166)**		(1,101,256)
		7,535,320		8,212,149
Private Sector Loans				
Development Finance Corporation				
12 months loan @ 3.5% interest		**5,000,000**		2,000,000
6 years loan @ 7% interest		**449,103**		651,590
14 years loan @ 5.5% interest		**18,473,647**		20,000,000
7.5 years loan @ 6% interest		**-**		833,334
Belize Airport Authority				
16 years loan @ 6% interest		**16,150,718**		16,470,927
Sunshine Holdings Limited				
15 years loan @ 8.5% interest		**14,133,562**		14,133,562
Belize Water Services Limited				
21 years loan @ 6% interest		**26,664,965**		27,464,342
Belize Elementary School				
14 years loan @ 7% interest		**432,895**		467,127

SOCIAL SECURITY BOARD

INVESTMENTS LISTINGS (CONTINUED)
YEARS ENDED DECEMBER 31, 2017 AND 2016 (IN BELIZE DOLLARS)

	2017	2016
LOAN PRINCIPAL RECEIVABLE (Continued)		
Banana Growers Association		
10 years loan @ 6.5% interest	**$ 4,163,077**	$ 4,838,491
Citrus Company of Belize Limited		
7 years loan @ 7.5% interest	**8,477,165**	10,515,126
CGA - Citrus Growers Association		
5 years loan @ 6% Plant	**2,026,907**	3,997,553
4 years loan @ 6.5% Fertilizer	**2,691,030**	-
Marie Sharp Fine Foods		
10 years loan @ 7.5% interest	**3,556,385**	3,186,568
Royal Mayan Shrimp Farm		
8 years loan @ 7.5% interest	**6,195,886**	5,261,426
Border Management Agency		
12 years loan @ 7.5% interest	**5,037,967**	5,985,311
Stann Creek- Ecumenical High School		
11 years loan @ 6%	**402,272**	443,528
Belmopan Comprehensive School		
4 years loan @ 6%	**-**	90,021
Independence High School		
5 years loan @ 6%	**94,699**	192,974
Mountain View Farms Ltd.		
7 years loan @ 6.5% interest	**1,569,670**	1,761,084
Hot Mama's Belize Ltd.		
7 years loan @ 7.5% interest	**581,601**	581,601
Diverse Development Limited		
1 Year Revolving loan @7.5% interest	**221,341**	221,341

	2017	2016
LOAN PRINCIPAL RECEIVABLE (Continued)		
Meridian Enterprise Ltd.		
1 Year Revolving loan @7.5% interest	**$ 30,525**	$ 30,525
Caribbean Homes & Export Limited		
6 years loan @ 7% interest	**3,244,361**	4,040,462
Belize City Council		
3 years loan @ 6% interest	**164,747**	245,540
Citrus Productions of Belize		
4 years loan @ 8.5% Pine	**710,000**	-
8 years loan @ 8.5% Citrus	**2,590,000**	-
	123,062,523	123,412,433
Less: Provision for loss on investments	**(3,364,527)**	(3,116,244)
	119,697,996	120,296,189
TOTAL LOAN PRINCIPAL RECEIVABLE NET	**$127,233,316**	$128,508,338
TOTAL INVESTMENTS	**$457,947,990**	$438,804,305

A summary analysis of investments listed above by asset class at December 31, 2017 is presented below:

Investment Mix	**% of Total Investment**
Bonds	2
Debentures	1
Investment in associates	46
Mortgages	2
Private sector loans	26
Shares	3
Term deposits	5
Treasury Notes	15
Total	**100%**

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