Bourse Securities Limited

Unconsolidated financial statements
For the year ended 31 December 2019

Contents

Bourse Securities Limited

Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying unconsolidated financial statements of Bourse Securities Limited, ('the Company') which comprise the unconsolidated statement of financial position as at 31 December 2019, the unconsolidated statements of profit or loss and other comprehensive income, statement of unconsolidated changes in equity and statement of unconsolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Chief Accounting Officer	Managing Director
23 March 2020	23 March 2020

Deloitte.

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Independent auditor's report
to the shareholders of
Bourse Securities Limited

Report on the audit of the financial statements

Opinion

We have audited the unconsolidated financial statements of Bourse Securities Limited ('the Company'), which comprise the unconsolidated statement of financial position as at 31 December 2019, and the unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). 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 the Company 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 these requirements. 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 IFRS, 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 the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 taken on the basis of these financial statements.

Continued...

Deloitte.

Independent auditor's report (continued)
to the shareholders of Bourse Securities Limited

Auditor's responsibilities for the audit of the financial statements (continued)

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, design and perform audit procedures responsive to those risks, and 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 Company'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 Company'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 Company to cease to continue as a going concern.

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 identify during our audit.

Deloitte & Touche

Deloitte & Touche
Daryl Walcott-Grappie, (ICATT #1248)
Port of Spain
Trinidad

24 March 2020

Bourse Securities Limited

Unconsolidated statement of financial position
(Expressed in Trinidad and Tobago dollars)

	Notes	As at 31 December 2019 $	2018 $
ASSETS			
Cash and cash equivalents	5	52,823,819	42,012,299
Financial assets FVOCI	6	116,777,851	87,503,958
Financial assets FVPL	6	27,513,544	32,556,185
Financial assets at amortised cost	7	44,415,196	41,422,660
Fixed assets	8	1,017,487	1,201,202
Right of use assets	8.1	2,199,872	-
Intangible assets	9	258,278	119,695
Other receivables	10	5,817,613	6,425,886
Investment in subsidiaries	11	10,480,666	11,708,472
Tax receivable		9,335,460	5,226,300
Due from subsidiaries	12	480,084,721	338,725,394
Total assets		**750,724,507**	**566,902,051**
LIABILITIES AND EQUITY			
Liabilities			
Taxation payable		11,096	1,870
Deferred tax liability	14	1,944,332	436,103
Repurchase agreements	15	584,276,483	433,318,260
Other liabilities	16	7,865,717	2,262,445
Lease liability	17	2,199,872	-
Option liability	18	224,275	2,809,363
Total liabilities		596,521,775	438,828,041
Shareholders' equity			
Share capital	20	26,700,000	26,700,000
Retained earnings		125,846,237	99,512,578
Revaluation reserve	21	1,656,495	1,861,432
Total shareholders' equity		154,202,732	128,074,010
Total liabilities and equity		**750,724,507**	**566,902,051**

The notes on pages 8 to 45 are an integral part of these unconsolidated financial statements.

On 23 March 2020, the Board of Directors of Bourse Securities Limited authorised these unconsolidated financial statements for issue.

HAshley ______ Director

______ Director

Bourse Securities Limited

Unconsolidated statement of profit or loss and other comprehensive income
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2019 $	2018 $
Interest income and interest expense			
Interest income	23	31,205,953	22,910,554
Interest expense	23	(15,909,853)	(11,733,672)
Net interest income		15,296,100	11,176,882
Other income			
Net unrealised gain on financial assets	24	3,546,140	--
Fee and commission income	25	6,576,908	6,994,991
Dividend income	26	3,895,155	560,391
Write back of ECL		474,515	9,219
Gain on sale of subsidiary		12,101,010	-
Other operating income	27	2,838,956	2,189,361
Total other income		29,432,684	9,753,962
Total operating income		44,728,784	20,930,844
Non-interest expenses			
Net unrealised loss on financial assets	24	--	(405,648)
Personnel costs	28	(8,642,269)	(8,007,832)
Depreciation and amortisation	8/9	(1,062,305)	(664,172)
Other expenses	29	(4,407,519)	(4,560,031)
Total non-interest expenses		(14,112,093)	(13,637,683)
Profit before income tax		30,616,691	7,293,161
Income tax credit	30	3,852,443	2,910,131
Profit for the year		34,469,134	10,203,292
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investments in equity instruments designated at FVOCI		754,913	(493,337)
Items that may be reclassified subsequently to profit or loss:			
Net fair value movement on debt instruments designated at FVOCI		374,792	(407,534)
Movement in ECL on debt instruments designated at FVOCI		(131,139)	(108,555)
Other comprehensive income/ (loss) for the year, net of income tax		998,566	(1,009,426)
Total comprehensive income for the year		**35,467,700**	**9,193,866**

The notes on pages 8 to 45 are an integral part of these unconsolidated financial statements.

Bourse Securities Limited

Unconsolidated statement of changes in equity
(Expressed in Trinidad and Tobago dollars)

	Notes	Share Capital $	Revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 January 2018		**26,700,000**	**1,565,254**	**97,805,136**	**126,070,390**
IFRS 9 Adjustment		--	812,267	(1,305,604)	(493,337)
Profit for the year		--	--	10,203,292	10,203,292
Other comprehensive income		--	(516,089)	--	(516,089)
Total comprehensive income		--	296,178	8,897,688	9,193,866
Dividends	22	--	--	(7,190,246)	(7,190,246)
Balance at 31 December 2018		**26,700,000**	**1,861,432**	**99,512,578**	**128,074,010**
Profit for the year			--	34,469,134	34,469,134
Other comprehensive income			998,566	--	998,566
Total comprehensive income			998,566	34,469,134	35,467,700
Transfer of realised gains on FVOCI equities			(1,203,503)	1,203,503	--
Dividends	22		--	(9,338,978)	(9,338,978)
Balance at 31 December 2019		**26,700,000**	**1,656,495**	**125,846,237**	**154,202,732**

The notes on pages 8 to 45 are an integral part of these unconsolidated financial statements.

	Notes	Year ended 31 December 2019 $	2018 $
Cash flows from operating activities:			
Profit for the year		30,616,691	7,293,161
Adjustments for:			
Net gains on disposal of investments		(684,833)	(145,919)
Unrealised (gain) on financial assets		(4,020,655)	(865,223)
Write off of premium on bonds		150,806	111,468
Net losses/ (gains) on foreign exchange revaluation		246,887	(727,035)
Finance charge on ROU assets		85,366	-
Depreciation and amortisation		1,062,305	664,172
		27,456,567	6,330,626
Movements in working capital:			
Net decrease/(increase) in other receivables		608,271	(863,805)
Net increase in promissory notes		150,958,224	11,326,151
Net increase/(decrease) in other liabilities		5,603,269	(8,791,245)
Net (increase) in due from subsidiaries		(141,359,327)	(14,896,094)
Cash generated from / (used in) operations		43,267,004	(6,894,367)
Tax paid net of refunds		(247,486)	(183,662)
Net cash generated from / (used in) operating activities		43,019,518	(7,078,029)
Cash flows from investing activities:			
Purchase of financial assets		(112,660,471)	(70,027,292)
Sales proceeds on disposals of financial assets		92,678,054	64,645,319
Net movement on loans and receivables		(2,992,536)	2,446,378
Purchase of fixed assets		(163,685)	(92,778)
Investment in subsidiary		(1,619,383)	-
Disposal proceeds of investment in subsidiary		2,843,320	-
Disposal proceeds of assets		14,298	-
Purchase of intangible assets		(247,776)	(65,734)
Net cash used in investing activities		(22,148,179)	(3,094,107)
Cash flows from financing activities:			
Payment of principal portion on lease		(620,007)	-
Payment of finance charge on lease		(85,366)	-
Dividends paid	21	(9,338,978)	(7,190,246)
Net cash used in financing activities		(10,044,351)	(7,190,246)
Net change in cash and cash equivalents		10,826,988	(17,362,382)
Effect of change in foreign exchange		(15,466)	100,585
Cash and cash equivalents at the beginning of the year		42,012,297	59,274,096
Cash and cash equivalents at the end of the year	5	**52,823,819**	**42,012,299**

The notes on pages 8 to 45 are an integral part of these unconsolidated financial statements.

1. **Incorporation and business activities**

Bourse Securities Limited (the 'Company') was incorporated in the Republic of Trinidad and Tobago on 8 June 1995 and commenced operations on 2 January 1996. The Company was continued under the provisions of The Companies Act 1995 on 16 April 1999. Its principal activities are dealing and trading in financial securities and the provision of investment management and advisory services. Its registered office is 1st Floor, 24 Mulchan Seuchan Road, Chaguanas.

2. **Application of new and revised International Financial Reporting Standards ('IFRS')**

2.1 **New and amended IFRS standards that are effective for the current year**

(i) **IFRS 16 *Leases***

In the current year, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after January 1, 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted.

In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is January 1, 2019.

The Company has applied IFRS 16 using the cumulative catch-up approach which:

- Requires the Company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

(a) **Impact of the new definition of a lease**

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before January 1, 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after January 1, 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

2. **Adoption of new and revised standards (continued)**

2.1 **New and amended IFRS standards that are effective for the current year (continued)**

(i) **IFRS 16 *Leases* (continued)**

(b) **Impact on Lessee Accounting**

- Former operating leases

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off statement of financial position.

Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.
- Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.
- Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.
- For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease
expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'administrative expenses' in profit or loss.

The Company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17:

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company had no onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application.
- The Company has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

2. **Adoption of new and revised standards (continued)**

2.1 **New and amended IFRS standards that are effective for the current year (continued)**

(i) **IFRS 16 *Leases* (continued)**

(b) **Impact on Lessee Accounting (continued)**

Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Company has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from January 1, 2019.

(c) **Impact on Lessor Accounting**

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). The Company does not have any sub-leases.

(d) **Financial impact of initial application of IFRS 16**

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on January 1, 2019 is 9.75%.

	$
Operating lease commitments at December 31, 2018	1,485,000
Effect of discounting the above amounts	(176,467)
Lease liabilities recognised at January 1, 2019	**1,308,533**

2. **Adoption of new and revised standards (continued)**

2.1 **New and amended IFRS standards that are effective for the current year (continued)**

(ii) **IFRIC 23 *Uncertainty over Income Tax Treatments***

The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Currently, the Company does not have any uncertainty over income tax treatments and therefore the application of IFRIC 23 had no material impact on the financial statements.

(iii) **Amendments to IFRS 9 *Prepayment Features with Negative Compensation***

The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

The Company does not have any financial assets with prepayment features with negative compensation and therefore the application of the amendment to IFRS 9 had no impact of the financial statements.

(iv) **Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures***

The Company has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied.

The Company does not have any investments in associates and joint ventures and therefore the application of the amendment to IAS 28 had no impact of the financial statements.

2. **Adoption of new and revised standards (continued)**

2.1 **New and amended IFRS standards that are effective for the current year (continued)**

(v) **Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement***

The Company has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Company will now be required to use the updated assumptions from this re-measurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as re-measured under IAS 19:99 with the discount rate used in the re-measurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

There were no changes or planned changes to the post retirement plans and therefore the application of the amendments to IAS 19 had no impact of the financial statements.

(vi) **Annual Improvements to IFRS Standards *2015–2017 Cycle***

The Company has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes

The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Company does not re-measure its PHI in the joint operation.

The application of these amendments had no impact on the Company's financial statements.

2. **Adoption of new and revised standards (continued)**

2.1 **New and amended IFRS standards that are effective for the current year (continued)**

(vi) **Annual Improvements to IFRS Standards *2015–2017 Cycle (continued)***

IFRS 3 Business Combinations

The amendments clarify that when the Company obtains control of a business that is a joint operation, the Company applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

IFRS 11 Joint Arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Company does not re-measure its PHI in the joint operation.

The application of these amendments had no impact on the Company's financial statements.

2.2 **Relevant, new and revised IFRS in issue but not yet effective**

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are effective from January 1, 2020:

IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 and IAS 8	Definition of material
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

The directors do not expect that the adoption of the amendments listed above will have a material impact on the financial statements of the Company in future periods.

2. Adoption of new and revised standards (continued)

2.2 New and revised IFRS in issue but not yet effective

(i) IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Company does not have any investments in subsidiaries or joint ventures and therefore the directors do not anticipate that the application of these amendments will have an impact on the Company's financial statements.

(ii) Amendments to IFRS 3 *Definition of a business*

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020, with early application permitted.

(iii) Amendments to IAS 1 and IAS 8 *Definition of material*

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

2. **Adoption of new and revised standards (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

(iii) **Amendments to IAS 1 and IAS 8 *Definitions of material* (continued)**

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

(iv) **Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised Conceptual Framework, which became effective upon publication on March 29, 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

3. **Significant accounting policies**

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

a. **Basis of preparation**

i) Statement of compliance

The Company's unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

ii) Basis of measurement

The unconsolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are disclosed in note 4.

b. **Foreign currency translation**

The Company's unconsolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's unconsolidated financial statements are presented in Trinidad & Tobago dollars.

For the purposes of presenting these unconsolidated financial statements, the assets and liabilities of the Company's foreign currency transactions are translated into currency units using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, exchange differences arising.

3. **Significant accounting policies (continued)**

c. **Fixed assets**

Fixed assets mainly comprise building and leasehold improvements, furniture and fixtures, computer and office equipment and motor vehicles, stated at historical cost less depreciation.

Depreciation is provided at rates estimated to write off the assets over their estimated useful lives. The rates used are as follows:

Building and leasehold improvements	-	33% reducing balance
Motor vehicles	-	25% reducing balance
Computer and office equipment	-	25% reducing balance
Furniture and fixtures	-	15% reducing balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of profit or loss.

d. **Intangible assets**

Computer software

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation is provided at a rate estimated to write off the asset over its estimated useful lives. The rate used is as follows:

Computer software	-	33% reducing balance

3. **Significant accounting policies**

e. **Impairment of tangible and intangible assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation.

f. **Financial assets**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

The Company has adopted IFRS 9 and classifies its financial assets based on the following business models:

- Hold to collect
- Hold to collect and sell or
- Hold for trading

Based on these factors, the Company classifies its assets into one of the following three measurement categories:

(i) *Amortised cost* – where the asset is held to collect its contractual cash flows and the cash flows represent solely payments of principal and interest 'SPPI'

(ii) *Fair value through other comprehensive income (FVOCI)* – where the financial asset is held in order to both collect contractual cash flows and for sale

(iii) *Fair value through profit or loss (FVPL)* – where the financial asset does not meet the criteria above with all changes recorded through profit or loss.

3. **Significant accounting policies (continued)**

f. **Financial assets (continued)**

(a) *Company's business model*

The business model reflects how the Company manages the assets in order to generate cash flows. An assessment is made at a portfolio level and includes an analysis of factors such as:

- The stated objective and policies of the portfolio and the operation of those in practice. More specifically whether the Company's objective is solely to collect the contractual cash flows from the assets and cash flows arising from the sale of the assets.
- Past experience on how the cash flows for these assets were collected.
- Determination of performance targets for the portfolio, how evaluated and reported to key management personnel.
- Managements identification of and response to various risks, which includes but not limited to, liquidity risk, market risk, credit risk, interest rate risk.
- Management considers, in classifying its assets, the level of historical sales and forecasted liquidity requirements.
- Arising out of the assessment the portfolios were deemed to have the business models identified as follows:

Hold to Collect	Hold to Collect & Sell	Hold for Trading
Loans and advances	Bonds issued by the Government of Trinidad and Tobago	Actively Traded Equities Portfolio
Cash and short-term funds	Bonds issued by State Owned Entities	Floating NAV Funds
Fixed NAV Funds – Cash and cash equivalents	Eurobonds Corporate Bonds Equities	Actively Traded Bonds

(b) *Debt instruments*

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the "income statement" within "Unrealised gains from investments securities" in the period in which it arises. Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

3. **Significant accounting policies (continued)**

f. **Financial assets (continued)**

(b) *Debt instruments (continued)*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in "Net Investment Income". The interest income from these financial assets is included in "interest Income" using the effective interest rate method.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in **note 3.f.** Interest income from these financial assets is included in "Interest income" using the effective interest rate method.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

(c) *Equity instruments*

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. These financial assets are presented within investment securities held to collect and sell. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns.

When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Gain and losses on equity investments classified as FVPL are included in the income statement.

3. **Significant accounting policies (continued)**

e. **Financial assets (continued)**

(d) *Impairment*

The Company assesses on a forward-looking basis as well as performs historical analysis and identifies the key economic variables impacting credit risk and expected credit losses for each investment within portfolio. The expected credit losses (ECL) is associated with assets carried at amortised cost and FVOCI and with the exposure arising from debt instruments and loan commitments and financial guarantee contracts.

Assets at amortised cost has its accompanying 'impairment' account presented in the statement of financial position whereas the purchased securities classified as FVOCI does not have an 'impairment' account on the asset side but instead uses impairment provision account in capital and reserves. The Company recognises a loss allowance at the date of initial application of IRFS 9 for such losses and subsequently at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- Note 3.e. provides more detail of how the expected credit loss allowance is measured.

Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified and subsequently measured at amortised cost.

f. **Credit risk**

IFRS 9 replaces the 'incurred loss' model of IAS 39 with an 'expected credit loss' (ECL) model. The new model applies to financial assets that are not measured at FVPL, including loans, lease and trade receivables, debt securities, contract assets under IFRS 15 and specified financial guarantees and loan commitments issued. The model uses a dual measurement approach:

- 12 month expected credit losses; or
- Lifetime expected credit losses

The measurement basis generally depends on whether there has been a significant increase in credit risk since initial recognition.

(a) 12 month ECL is defined as: the portion of a lifetime expected credit losses that represents the expected credit losses that result from a default events on the financial instrument that will result if a default occurs in the 12 months after the reporting date.

3. **Significant accounting policies (continued)**

f. **Credit risk (continued)**

(b) Lifetime ECL is defined as the expected credit losses that result from all possible default events over the expected life of the financial instrument and are measured as lifetime expected credit losses to date on which a financial asset becomes credit-impaired. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the expected future cash flows of the financial asset. It includes observable data such as:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or past-due event;
- The lenders for economic or contractual reasons relating to the borrower's financial difficulty granting the borrower a concession that would not otherwise be considered;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

In accordance with IFRS 9, the company in evaluating whether an increase in credit risk is significant, compares the risk of default at initial recognition of an instrument with the risk of default at the reporting date.

(i) *Expected credit loss measurement*

IFRS 9 outlines a 'three stage' model; for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Company.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward - looking information. Note 3.f.ii hereunder includes an explanation of how the Company has incorporated this in its ECL model.

3. **Significant accounting policies (continued)**

f. **Credit risk (continued)**

(ii) *Measuring ECL - Explanation of inputs, assumptions and estimation techniques*

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. These are taken from Moody's and S&P default studies.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure factoring in the availability of collateral.

The ECL is determined by multiplying the PD, LGD and EAD after taking into consideration collateral enhancements. The ECL is computed in part by loss given default. Loss given default (and recovery ratings) are usually expressed at a proportion of the notional amount or face value of bonds. The calculation of ECL incorporates forward-looking information as the Company performs historical analysis and identifies the key economic variables impacting credit risk and expected credit losses for each investment within portfolio. PD, EAD, and LGD are based on industry / country specific indicators used for different jurisdictions around the world.

		31-Dec-19			31-Dec-18
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	
	$'000	$'000	$'000	$'000	$'000
Debt securities at FVOCI	**114,043,673**	--	--	**114,043,673**	**84,373,891**
Included in Revaluation Reserve:					
Opening ECL on FVOCI	(503,845)	-	-	(503,845)	(348,766)
Movement in ECL	187,341			187,341	(155,079)
Closing ECL balance	**(316,505)**			**(316,505)**	**(503,845)**
Debt securities at Amortised Cost	**44,522,176**	--	--	**44,522,176**	**41,873,016**
Opening ECL	(450,336)	--	--	(450,336)	(568,130)
Movement in ECL	343,376	--	--	343,376	117,794
Closing ECL	(106,960)	--	--	(106,960)	(450,336)
Carrying balance	**44,415,216**	--	--	**44,415,216**	**41,422,680**

3. **Significant accounting policies (continued)**

g. **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

h. **Other receivables**

Other receivables refer to interest receivable on financial assets, management fees due from mutual funds and prepayment of expenses.

i. **Investment in subsidiaries**

The Company's investments in subsidiaries are carried at cost less any impairment losses.

j. **Current and deferred income taxes**

Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted in Trinidad and Tobago. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted in Trinidad and Tobago.

k. **Repurchase agreements**

Repurchase agreements are promissory notes and are recognised initially at fair value, inclusive of transaction costs incurred. Promissory notes are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the term of the promissory note using the effective interest method. Interest expense is accrued and paid at maturity.

l. **Share capital**

Shares issued for cash are accounted for at the issue price less any transaction costs of the issue. Shares issued as consideration for the acquisition of a business are recorded at the market price on the date of the issue.

3. **Significant accounting policies (continued)**

m. **Dividend**

Dividend distribution to the Company's shareholders is recognised as a liability in the unconsolidated financial statements in the period in which the dividends are approved by the shareholders.

Dividends that are proposed and declared after the year end date are not shown as a liability in the statement of financial position but are disclosed as a note to the unconsolidated financial statements.

n. **Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific, criteria have been met for each of the Company's activities described below.

Interest income is accounted for using the effective interest method.

Dividend income is recognised when the right to receive the dividend is established.

When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Interest income on impaired loan and receivables is recognised using the original effective interest rate.

The Company earns investment advisory, fund management and distribution fees on the Savinvest range of mutual funds. These fees are based on a fixed percentage of the net asset value of the fund. The fees are accrued as earned on a monthly basis but paid quarterly.

o. **Leases**

In the current year, the Company has applied IFRS 16 – effective for annual periods that begin on or after 1 January 2019. Contingent lease liabilities arising out of lease agreements for the occupancy of business premises are recognised in the period in which they are incurred as presented in **note 7.1** hereunder.

p. **Retirement benefit**

The Company offers a retirement benefit to its employees; this is operated as a defined contribution plan. The assets of the plan are held in a separate trustee-administered fund. The Company's contribution to the defined contribution plan is charged to the statement of profit or loss in the year to which they relate.

q. **Personnel costs**

Personnel costs include wages, salaries, accruals for bonuses and other charges. The Company recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into account the profit attributable to the Company's shareholders after certain adjustments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which the determination is made.

In respect of open tax authority examinations, management assesses the probability of an outflow of economic resources being required to settle any current obligation. Where management determines that an outflow is more likely than not a provision for taxation payable will be recorded representing management's best estimate of the resources required to settle the obligation. Where an outflow of resources is determined to be possible, but not probable, a contingent liability will be disclosed but not provided for.

Fair value of financial assets

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

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

5. **Cash and cash equivalents**

	2019 $	2018 $
Balances with commercial banks	52,416,915	41,612,878
Money market accounts:		
- Savinvest Mutual Funds	103,609	99,220
- Unit Trust Corporation	139,058	138,034
- First Citizens Investment Services	45,359	44,928
- Guardian Asset Management	57,352	56,505
- Other	61,525	60,734
Cash and cash equivalents	**52,823,819**	**42,012,299**

As at 31 December 2019, the Company had an unused overdraft facility of TT$25.75 million and this facility can be drawn down in ether TT$ or US$. The rate of interest on the TT$ facility is 9.75% per annum, while the rate on the US$ facility is 6 month LIBOR plus 5.50%, with a floor of 5.50%.

6. (a) **Financial assets FVOCI**

	2019 $	2018 $
Debt securities		
TT dollar bonds		
- Government bonds	2,031,817	2,939,073
- State owned entities	26,755,623	26,796,339
- Corporate bonds	45,658,660	36,522,055
US dollar bonds		
- Government bonds	3,777,009	3,300,091
- State owned entities	15,533,514	14,312,488
- Corporate bonds	20,287,050	--
	114,043,673	83,870,046
Equity securities		
Other listed equity securities	2,734,178	3,633,912
Total	**116,777,851**	**87,503,958**

Movement for the year of financial assets FVOCI:

	2019	2018
At beginning of year	87,503,958	105,642,447
IFRS 9 reclassifications	-	(18,761,909)
Additions	107,501,597	61,337,477
Increase in fair value	140,677	1,202,058
Disposals/ maturity	(78,368,381)	(61,916,115)
At end of year	**116,777,851**	**87,503,958**

Included above are securities set aside as collateral against repurchase agreements and finance charges to the value of $128.14 million (2018: $64.47 million).

6. (b) **Financial assets FVPL**

	2019 **$**		**2018** **$**	
Mutual funds				
Savinvest Capital Growth Mutual Funds:				
- Managed by Bourse Securities Limited	10,327,287		9,289,326	
Savinvest India/Asia Fund				
-Managed by Bourse Securities Limited	9,073,522		11,865,347	
Bourse Brazil Latin Fund				
-Managed by Bourse Securities Limited	713,591		621,204	
		713,591		621,204
Equity securities				
Other listed equity securities	7,399,144		10,780,308	
Total	**27,513,544**		**32,556,185**	

Movement for the year of financial assets FVPL:

	2019	2018
At beginning of year	32,556,185	6,524,684
IFRS 9 reclassifications	--	18,761,909
Additions	5,158,874	8.869,816
Net increase in fair value	2,226,418	1,059,680
Disposals/ maturity	(12,427,933)	(2,479,904)
At end of year	**27,513,544**	**32,566,185**

7. **Financial assets at amortised cost**

	2019 **$**	**2018** **$**
UDeCOTT	11,495,155	25,826,106
Desalcott syndicated loan facility	23,708,799	8,309,602
Government of St Lucia (GOSL)	6,716,279	3,937,317
BLAS loan facilities	2,601,943	3,799,971
Less Provisions ECL	(106,980)	(450,336)
	44,415,196	**41,422,660**

The balance financial assets at amortised cost comprises of the UDECOTT 4.30% facility maturing on 1 November 2028, Desalcott syndicated loan facility at a 6% fixed rate of interest maturing in 2023, GOSL 7.50% maturing 15 November 2021 and several BLAS loan facilities with terms between 1 to 3 years.

8. Fixed assets

	Building & leasehold improvements $	Motor vehicles $	Computer & office equipment $	Furniture & fixtures $	Total $
Year ended 31 December 2019					
Cost at beginning of year	388,617	177,700	4,866,260	461,314	5,893,891
Additions	106,785	--	55,705	1,195	163,685
Disposals	--	--	(51,145)	--	(51,145)
Transfers and adjustments	--	--	--	--	--
Total cost as at December 2019	495,402	177,700	4,870,820	462,509	6,006,431
At 31 December 2019					
Accumulated depreciation at beginning of year	283,573	115,198	3,991,810	302,108	4,692,689
Depreciation charge for the year	49,149	15,626	243,096	25,232	333,103
Disposal	--	--	(36,848)	--	(36,848)
Accumulated depreciation	332,722	130,824	4,198,058	327,340	4,988,944
Net book value	**162,680**	**46,876**	**672,762**	**135,169**	**1,017,487**
Year ended 31 December 2018					
Cost at beginning of year	785,484	177,700	4,781,856	460,014	6,205,054
Additions	--	--	90,478	2,300	92,778
Disposals	(403,941)	--	--	--	(403,941)
Transfers and adjustments	7,074	--	(6,074)	(1,000)	--
Total cost as at December 2018	388,617	177,700	4,866,260	461,314	5,893,891
At 31 December 2018					
Accumulated depreciation at beginning of year	632,091	94,364	3,542,048	260,119	4,528,622
Depreciation charge for the year	55,423	20,834	449,761	41,990	568,008
Disposal	(403,941)	--	--	--	(403,941)
Accumulated depreciation	283,573	115,198	3,991,809	302,109	4,692,689
Net book value	**105,044**	**62,502**	**874,451**	**159,205**	**1,201,202**

8.1. Right of use assets

	2019 $
Cost at beginning of year	--
Right of use assets recognised on adoption of IFRS 16	1,308,534
Additions	1,511,347
Closing net book cost	**2,819,881**
Amortisation charge for the year	620,009
Net book value	**2,199,872**

8.1. **Right of use assets (continued)**

The Company has entered into lease contracts for the occupation of office premises. The average lease term is 3 years (2018: 3 years) with the option to extend.

The maturity analysis of lease liabilities is presented in Note 17.

Amounts recognised in profit or loss

	2019
	$
Depreciation on right of use assets	620,009
Finance charge on lease liabilities	85,366

9. **Intangible assets**

	2019	**2018**
	$	**$**
Cost at beginning of year	4,082,410	4,016,676
Additions	247,776	65,734
Closing book cost	**4,330,186**	**4,082,410**
Accumulated amortisation at beginning of year	3,962,715	3,866,551
Amortisation charge for the year	109,193	96,164
Disposal of assets	--	--
Accumulated amortisation	**4,071,908**	**3,962,715**
Net book value	**258,278**	**119,695**

Intangible assets comprise computer software.

10. **Other receivables**

	2019	**2018**
	$	**$**
Accrued income	2,726,854	2,161,575
Other receivables	287,953	86,880
Prepayments	778,714	579,315
Due from Savinvest mutual funds	2,024,092	3,598,116
	5,817,613	**6,425,886**

11. **Investment in subsidiaries**

	2019	**2018**
	$	**$**
Investment in:		
Bourse International Asset Management Limited	2,772,564	2,779,985
Vanalta Limited	--	2,843,320
ADCOTT	1,622,935	--
Bourse Brokers Limited	6,078,387	6,078,387
Windsor Investments Limited	6,780	6,780
	10,480,666	**11,708,472**

11. **Investment in subsidiaries (continued)**

Alkene Development Company of T&T Limited (ADCOTT) was acquired as a wholly owned subsidiary of the Company during the year 2019 while Vanalta Limited was sold during the month of December 2019.

12. **Due to/from subsidiaries**

	2019 $	2018 $
Due from subsidiaries		
Windsor Investments Limited	14,530	--
ADCOTT	481,261	--
Bourse Brokers Limited	1,013,951	1,298,556
Bourse International Asset Management Limited	478,574,979	337,426,838
	480,084,721	**338,725,394**

Balances due from Bourse International Asset Management have fixed terms with an interest rate of 5.50% per annum. All other balances bear no specific terms of repayment.

13. **Related party transactions and balances**

	2019 $	2018 $
Amounts included in the statement of profit or loss:		
Fee and commission income	**7,695,127**	**7,691,771**
Dividend income	**3,040,132**	**--**
Interest income	**23,279,638**	**17,185,958**
Interest expense	**776,607**	**866,431**
Key management remuneration	**4,201,584**	**3,880,120**
Balances included in statement of financial position:		
Assets:		
Financial assets FVPL	**20,114,400**	**21,775,877**
Cash and cash equivalents	**103,609**	**99,220**
Other receivables	**2,024,092**	**3,602,325**
Investment in subsidiaries	**10,477,114**	**11,708,472**
Due from subsidiaries	**480,084,721**	**338,725,394**
Liabilities:		
Other liabilities	**1,585,831**	**1,035,831**
Repurchase agreements	**28,010,441**	**38,073,873**

14. **Deferred income tax**

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30%.

The movement on the deferred income tax account is as follows:

	Balance at 1-Jan-19 $'000	(Charge)/credit to profit or loss $'000	(Charge)/credit to OCI $'000	Balance at 31-Dec-19 $'000
Deferred income tax asset				
Fair value measurement of financial assets	842,809	(775,526)		67,282
Deferred income tax liabilities				
Fair value measurement of financial assets	(1,278,912)	(52,689)	(680,016)	(2,011,616)
Net deferred income tax liability	**(436,103)**	**(828,215)**	**(680,016)**	**(1,944,334)**

	Balance at 1-Jan-18 $'000	(Charge)/credit to profit or loss $'000	(Charge)/credit to OCI $'000	Balance at 31-Dec-18 $'000
Deferred income tax asset				
Fair value measurement of financial assets	255,831	586,978	--	842,809
Deferred income tax liabilities				
Fair value measurement of financial assets	(611,112)	(666,759)	(1,040)	(1,278,912)
Net deferred income tax liability	**(355,280)**	**(79.782)**	**(1,040)**	**(436,103)**

15. Repurchase agreements

	2019 $	2018 $
Repurchase agreements - denominated in TT$	358,078,587	275,877,783
Repurchase agreements - denominated in US$	226,197,896	157,440,477
	584,276,483	**433,318,260**

Repurchase agreements are all payable within 24 months of issue and accrue interest at fixed rates between 1.35% and 3.55% per annum. The Company has set aside securities as collateral against repurchase agreements and finance charges to the value of $158.22 million (2018: $64.47 million). Securities held in the books of the wholly owned subsidiary Bourse International Asset Management Limited (BIAM) have also been set aside as collateral against repurchase agreements and finance charges, to the value of $431.89 million (2018: $312.85 million).

16. Other liabilities

	2019 $	2018 $
Accrued expenses and other payables	6,279,886	1,226,614
Accrued remuneration (Note 19)	1,250,000	700,000
Due to Savinvest Mutual Funds	335,831	335,831
	7,865,717	**2,262,445**

17. Lease liabilities

Maturity Analysis:	2019 $	2018 $
Year 1	746,602	475,830
Year 2	627,644	475,830
Year 3	287,294	356,873
Year 4	302,417	-
Year 5	185,372	-
Year 6	50,543	-
	2,199,872	**1,308,533**

Refer to Note 8.1 for details on the corresponding right of use assets in accordance with IFRS 16.

18. Option liability

During the year 2019, the Company entered into an agreement with the Savinvest Structured Investment Fund being "The Purchaser" and Bourse Securities Limited as "The Seller" of "Put Options". The Put Option gives the right but not the obligation of the purchaser to sell certain underlying assets to the seller for the purchase price as at the date of exercising the option. Accordingly, the Company as at 31 December 2019 valued the underlying assets using the prevailing market prices and has provided against any diminution in value.

19. Remuneration accruals

The Company accrues for bonus and profit sharing based on guidelines that take into consideration the profit attributable to the Company's shareholders after certain adjustments.

	2019 $	2018 $
At beginning of the year	700,000	343,406
Additions	1,250,000	700,000
Payments and reversals	(700,000)	(343,406)
At end of the year	**1,250,000**	**700,000**

20. Share capital

	2019 $	2018 $
Authorised:		
An unlimited number of shares of no par value		
Issued and fully paid:		
300,000 ordinary shares of no par value	**26,700,000**	**26,700,000**

21. Revaluation Reserve

	2019 $	2018 $
Unrealized gains equities on FVOCI	35,540	441,265
Unrealized gains on bonds FVOCI	1,399,401	1,067,475
ECL provision	221,554	352,692
	1,656,495	**1,861,432**

22. Dividends

	Amount 2019 $	Amount per share 2019 $	Amount 2018 $	Amount per share 2018 $
Second interim dividend - prior year	5,737,717	19.13	3,133,421	10.44
First interim dividend - current year	3,601,261	12.00	4,056,825	13.52
	9,338,978		**7,190,246**	

23. Net interest income

	2019 $	2018 $
Interest income		
Cash and cash equivalents	83,668	40,245
Financial assets FVOCI	5,624,739	3,406,948
Income on financial assets	24,325,335	14,872,212
Income due from transactions with subsidiaries	1,172,211	4,591,148
	31,205,953	**22,910,554**

Income on financial assets relate to interest income earned from promissory notes issued to Bourse International Asset Management Limited, a wholly owned subsidiary of Bourse Securities Limited.

	2019 $	2018 $
Interest expense		
Promissory notes	**15,909,853**	**11,733,672**

24. Unrealised gain/(loss) on financial assets

	2019 $	2018 $
Unrealised gain/(loss) on underlying assets of put option	1,805,562	(1,961,420)
Unrealised gain on FVPL assets	1,740,578	1,555,772
Net gain/(loss)	**3,546,140**	**(405,648)**

25. Fee and commission income

	2019 $	2018 $
Management fee income from the Savinvest range of mutual funds	**6,576,908**	**6,994,991**

26. Dividend income

	2019 $	2018 $
Dividends on equities	855,023	560,391
Dividends from subsidiary – Bourse Brokers Limited	3,040,132	--
	3,895,155	**560,391**

27. Other operating income

	2019 $	2018 $
Management fees	191,398	546,416
Gain on sale of investments	1,244,550	145,919
(Loss)/gains on currency exchange	(231,424)	626,450
Other operating income	1,634,432	870,577
	2,838,956	**2,189,361**

28. **Personnel cost**

	2019 $	2018 $
Salaries	7,681,303	7,409,319
Retirement contributions	277,195	295,601
Health insurance	186,668	187,370
Other staff cost	497,103	115,543
	8,642,269	**8,007,832**

29. **Other expenses**

	2019 $	2018 $
Advertising and public relations	366,383	353,812
Bank / Finance charges	137,001	50,504
Donations and gifts	98,739	17,459
Entertainment	51,062	49,868
Insurance	243,023	237,260
Legal and professional expenses	670,941	348,871
Rent	155,000	802,000
Repairs and maintenance	135,236	110,997
Postage and stationery	179,254	213,922
Subscriptions and registration	292,243	370,281
Travelling and motor vehicle expense	160,213	66,849
Licence fees	530,452	641,499
Utilities	560,653	593,095
Directors fees	479,100	465,100
Other expenses	348,219	238,515
	4,407,519	**4,,560,031**

30. **Income tax expense/(credit)**

	2019 $	2018 $
Corporation tax - current period	(4,476,327)	(3,358,635)
- Prior period	365,290	273,423
Green fund levy	181,916	97,966
Business levy	76,679	77,114
	(3,852,442)	**(2,910,132)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2019	2018
Profit before tax	30,616,691	7,293,163
Tax calculated at 30% for profit exceeding $ 1,000,000	9,185,007	2,187,949
Income not subject to tax	(13,661,334)	(5,546,584)
Green fund levy	181,916	97,966
Prior period	365,290	273,423
Business Levy	76,679	77,114
Tax credit	**(3,852,442)**	**(2,910,132)**

31. Financial risk management

31.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risks (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the entity's financial performance.

Risk management is carried out by a management committee under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

a) *Market risk*

(i) *Foreign exchange risk*

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company has certain investments in foreign operations and also undertakes transactions in foreign currencies, where the net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations and transactions in foreign currencies is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31 December 2019, if the Trinidad and Tobago dollar had weakened by 1% against the US dollar with all other variables held constant, post-tax profit for the year would have been $2.545 million higher (2018: $2.268 million higher), mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated money market funds, financial assets classified as available-for-sale and foreign exchange losses/gains on translation of US dollar-denominated borrowings.

31. **Financial risk management (continued)**

31.1 **Financial risk factors (continued)**

a) *Market risk (continued)*

(i) *Foreign exchange risk (continued)*

Foreign exchange risk

	TT $	US $	Other $	Total $
As at 31 December 2019				
Assets				
Cash and short-term funds	24,254,150	28,559,585	10,084	52,823,819
Financial assets FVOCI	74,446,100	42,297,138	34,613	116,777,851
Financial assets FVPL	17,726,431	9,787,113	--	27,513,544
Financial assets AC	35,203,953	9,211,243	--	44,415,196
Other receivables	3,319,654	2,482,604	15,355	5,871,613
Due from subsidiaries	91,026,281	389,058,440	--	480,084,721
	245,976,569	481,396,123	60,052	727,432,744
Liabilities				
Repurchase agreements	358,078,587	226,197,896	-	584,279,483
Other liabilities	7,437,699	428,018	--	7,865,717
Option liabilities	--	224,275	--	224,275
	365,516,286	226,850,189	--	592,366,475
Net foreign exchange risk gap		**254,545,934**	**60,052**	
As at 31 December 2018				
Assets	161,061,858	387,528,877	55,647	548,646,382
Liabilities	277,726,306	160,663,762	-	438,390,068
Net foreign exchange risk gap		**226,865,115**	**55,647**	

31. **Financial risk management (continued)**

31.1 **Financial risk factors (continued)**

a) *Market risk (continued)*

The Company employs various asset/liability techniques to manage currency risk. Currency exposures are minimised by matching assets with liabilities. Certain currency positions are unhedged up to the limit as defined by the capital allocation exposure determined by the Company.

(ii) *Price risk*

The Company is exposed to equity securities price risk because investments are held and classified on the statement of financial position as available-for-sale. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company maintains a diversified portfolio. Diversification of the portfolio is done in accordance with the pre-determined limits set by the Company.

The Company invests in equities of other entities that are publicly traded and are included in one of the following three equity indices: Trinidad and Tobago Composite Index, Barbados Composite Index or Jamaica Main Index. The Company also invests in local government and corporate debt.

The analysis is based on the assumption that the equity indices had decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. Other comprehensive income for the year would decrease by $626K (2018: $1.81 million) as a result of losses on equity securities classified as available-for-sale investments.

(iii) *Cash flow and fair value interest rate risk*

The Company's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Company policy is to maintain a part of its borrowings in fixed rate instruments.

At 31 December 2019, assuming interest rates were 25 basis points lower with all other variables held constant, the table below summarises the impact on profit or loss.

	2019 $	2018 $
Impact on profit or loss for the year	282,271	197,845

31. Financial risk management (continued)

31.1 Financial risk factors (continued)

a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

Interest sensitivity of assets and liabilities

The Company is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	Up to one year $	One to five years $	Over five years $	Non-interest bearing $	Total $
As at 31 December 2019					
Cash and cash equivalents	52,823,819	--	--	--	52,823,819
Financial assets FVOCI	107,919	28,128,824	85,806,931	2,734,177	116,777,851
Financial assets FVPL	--	--	--	27,513,544	27,513,544
Financial assets Amortised Cost	14,580,041	18,170,780	11,664,375	--	44,415,196
Other receivables	5,817,613	--	--	--	5,817,613
Due from subsidiaries	480,084,721	--	--	--	480,084,721
	553,414,113	46,299,604	97,471,306	30,247,721	727,432,744
Liabilities					
Repurchase agreements	515,391,766	68,884,717	-	-	584,276,483
Other liabilities	--	--	--	7,865,717	7,865,717
Option liability	--	--	--	224,275	224,275
	515,391,766	68,884,717	--	8,089,992	592,366,475
Net interest rate gap	38,022,347	(22,585,113)	97,471,306	22,157,729	135,066,269
Cumulative gap	**38,022,347**	**15,437,234**	**112,908,540**		
As at 31 December 2018					
Assets	393,762,438	47,644,023	71,049,824	36,190,097	548,646,382
Liabilities	400,023,255	33,295,005	--	5,071,808	438,390,068
Net interest rate gap	(6,260,817)	14,349,018	71,049,824		
Cumulative gap	**(6,260,817)**	**8,088,201**	**79,138,025**		

The Company employs various asset/liability techniques to manage interest rate sensitivity gaps. The techniques used vary subject to market conditions and include the employment of variable rate financial instruments.

31. **Financial risk management (continued)**

31.1 **Financial risk factors (continued)**

b) *Credit risk*

Credit risk arises from cash and cash equivalents, available-for-sale financial assets and deposits with banks and financial institutions, as well as credit exposures to retail customers, including outstanding receivables and committed transactions.

Credit risk is the risk of loss due to a debtor's non-payment of a balance or other line of credit. The Company is exposed to this category of risk through possible over concentration of lending to a particular institution or individual. The Company sets and adheres to specific limits relating to credit ratings established internally in its investment with any one entity in order to mitigate credit risk.

Maximum exposure to credit risk before collateral held or other credit enhancements

	Maximum exposure	
	2019	**2018**
	$	**$**
Credit risk exposures relating to on-SOFP assets are as follows:		
Cash and cash equivalents	52,823,819	42,012,299
Financial assets FVOCI - debt	114,043,673	83,870,046
Financial assets Amortised Cost	44,415,196	41,422,660
Other assets	5,817,613	6,425,886
Due from subsidiaries	480,084,721	338,725,394
Total	**697,185,022**	**512,456,285**

The above table represents the maximum exposure to credit risk exposure for the Company at 31 December 2019 and 31 December 2018, without taking account of any collateral held or other credit enhancements attached. For assets that are included in the statement of financial position, the exposures set out above are based on net carrying amounts as reported.

31. Financial risk management (continued)

31.1 Financial risk factors (continued)

c) *Liquidity risk*

Liquidity risk is financial risk due to uncertain liquidity. An institution might lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the institution. A firm is also exposed to liquidity risk if markets on which it depends are subject to loss of liquidity.

The Company's approach to managing liquidity risk includes further diversification of its funding base through access to an expanded range of funding in terms of the number of counterparties, longer term financing tenure and in securing additional credit lines.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	0-90 days $	91-180 days $	181-365 days $	>365 days $	Total $
2019					
Assets					
Cash and cash equivalents	52,823,819	--	--	--	52,823,819
Financial assets FVOCI	2,734,177	--	107,919	113,935,755	116,777,851
Financial assets FVPL	27,513,544	--	--	--	27,513,544
Financial assets AC	951,129	2,727,186	10,822,148	29,914,733	44,415,196
Other receivables	5,817,613	--	--	--	5,817,613
Due from subsidiaries	1,509,742	--	478,574,979	--	480,084,721
	91,350,024	2,727,186	489,505,046	143,850,488	727,432,744
Liabilities					
Repurchase agreements	284,501,628	50,845,383	180,044,755	68,884,717	584,276,483
Other liabilities	7,865,717	--	--	--	7,865,717
Option liability	224,275	--	--	--	224,275
	292,591,620	50,845,383	180,044,755	68,884,717	592,366,475
Gap	(201,241,586)	(48,118,197)	309,460,291	74,965,771	135,066,269
Cumulative gap	**(201,241,596)**	**(249,359,783)**	**60,100,498**	**135,066,269**	

31. Financial risk management (continued)

31.1 Financial risk factors (continued)

c) Liquidity risk (continued)

	0-90 days $	91-180 days $	181-365 days $	>365 days $	Total $
2018					
Assets					
Cash and cash equivalents	42,012,299	--	--	--	42,012,299
Financial assets FVOCI	3,633,912	--	235,928	83,634,118	87,503,958
Financial assets FVPL	32,556,185	--	--	--	32,556,185
Financial assets AC	117,775	1,973,413	4,191,360	35,140,112	41,422,660
Other receivables	6,425,886	--	--	--	6,425,886
Due from subsidiaries	1,298,556	--	337,426,838	--	338,725,394
	86,044,613	1,973,413	341,854,126	118,774,230	548,646,382
Liabilities					
Repurchase agreements	189,371,525	51,850,991	158,800,739	33,295,005	433,318,260
Other liabilities	2,262,445	--	--	--	2,262,445
Option liability	2,809,363	--	--	--	2,809,363
	194,443,333	51,850,991	158,800,739	33,295,005	438,390,068
Gap	(108,398,720)	(49,877,578)	183,053,387	85,479,225	110,256,314
Cumulative gap	**(108,398,720)**	**(158,276,298)**	**24,777,089**	**110,256,314**	

The Company has reduced its exposer of concentration of liquidity risk whereby approximately 15.12% as at December 2019 of promissory notes are owed to a single investor down from 27.82% as at December 2018. This exposure is managed by ensuring maturities of facilities with this investor are staggered throughout the year. The Company also ensures that sufficient liquid assets are available to fund all maturities through available for sale assets in a readily accessible market as well as from the amount due from subsidiaries.

The Company's liquidity strategy relies on sufficient cash and marketable financial assets to meet short term requirements. Daily cash and liquid assets are all prudently managed to ensure that the Company has sufficient funds to meet its obligations upon maturity.

31. Financial risk management (continued)

31.1 Financial risk factors (continued)

c) Liquidity risk (continued)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in these unconsolidated financial statements approximate their fair values.

	Year ended 31 December 2019		Year ended 31 December 2018	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets	**$**	**$**	**$**	**$**
Cash and cash equivalents	52,823,819	52,823,819	42,012,299	42,012,299
Financial assets FVOCI	116,777,851	116,777,851	87,503,958	87,503,958
Financial assets FVPL	27,513,544	27,513,544	32,556,185	32,556,185
Financial assets AC	44,415,196	44,415,196	41,422,660	41,422,660
Other receivables	5,817,613	5,817,613	6,425,886	6,425,886
Due from subsidiaries	480,084,721	480,084,721	338,725,394	338,725,394
	727,432,744	**727,432,744**	**548,646,382**	**548,646,382**
Financial liabilities				
Repurchase agreement	584,276,483	584,276,483	433,318,260	433,318,260
Other liabilities	7,865,717	7,865,717	2,262,445	2,262,445
Option liability	224,275	224,275	2,809,363	2,809,363
	592,366,475	**592,366,475**	**438,390,068**	**438,390,068**

Fair value estimation

Effective 1 January 2009, the Company adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted priced (unadjusted) in active markets for identical assets and liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (that is prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The table below presents the Company's financial instruments that are classified as FVOCI and FVPL in their respective categories:

31. Financial risk management (continued)

31.1 Financial risk factors (continued)

Fair value estimation

	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2019				
Financial assets FVOCI	116,471,294	306,557	--	116,777,851
Financial assets FVPL	7,399,144	20,114,400	--	27,513,544
	123,870,438	**20,420,957**	--	**144,291,395**
31 December 2018				
Financial assets FVOCI	86,318,468	1,185,490	--	87,503,958
Financial assets FVPL	10,780,308	21,775,877	--	32,556,185
	97,098,776	**22,961,367**	--	**120,060,143**

31.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt, subject to shareholders' approval.

Consistent with others in the industry, the Company monitors capital at risk on the basis, inter alia, of its leverage as measured by the debt to equity ratio. Debt encompasses promissory notes. This is complemented by capital allocation stress testing for its exposure to specific business lines and asset classes.

	2019 $	2018 $
Total debt	**584,276,483**	**433,318,260**
Total equity	**154,380,490**	**128,074,010**
Debt to equity ratio	3.78 : 1	3.38 : 1

The Company, as a securities company licenced to operate in Trinidad and Tobago, is required by regulation to maintain a minimum paid up capital of $15 million.

32. Funds under management

Funds under management relate to the Savinvest Range of Mutual Funds and amounted to $337.85 million as at 31 December 2019 (2018: $318.93 million).

33. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these annual unconsolidated financial statements.